App. F. IX-4

1924-25

LB File No. 114-21

Previous References
LB 114-[illegible]
[illegible]
LB 76-29-52
LB [illegible]-63-8[illegible]

Later References 17 N-26-M

LB 173-29-27
LB 114-(60, 61)
LB 77-29 (1-4)

Serial Nos. 57, 57, 59

General and Revenue Secretariat.

L.B. 173-29 (36, 50, 51, 53, 69, 60, 61)

Serial Nos.

Part B for June

SUBJECT

Report of the accountants deputed for verifying the Railway transactions of the Kolar Dist Board.

L-O no L 8627-760 27/5/27
Revises the report -

Serial No.	
	Letter No Itc 63 & 12/10/26 from the Pres. W.Rs. Kolar submits a report of the accountants deputed for verifying the Railway transactions in the Kolar Distt Bd with his observations.
56	The Comptroller L 2900 & 3/11/26 Calls for remarks above & requests that the information called for in this Office No L 1[illegible] & 19[illegible] be also furnished early.
57	The Comptr No 411 & 5/2/27. Submits the Statement of assets & liabilities called for above.
58	412 & 5. 2. 27 from the Comptr - Submits the reports remarks on the Pres's Report referred to in Col 56 above

Subd with a detailed note below

WD 01229—GPB—37,500—1-9-26

General and Revenue Secretariat

Lb File No 114 - of 192 6.

Serial No.

The question relates to the audit of accounts of the Kolar District Board Railway in accordance with the ~~c~~onstructions issued to the Comptroller in G.O.No.L.4026-9/L.B.114-24-43 dated the 5th December, 1925. The President of the District -- Board has made certain remarks on the Audit report. The Auditor has given his reply to the points raised by the President. A statement, showing the President' report on the accounts as checked by the Special Auditors and the reply of the Auditor, Mysore Railways thereto is separately put up. The Comptroller agrees with the Auditor, Mysore Railways in all --- points except one ~~which~~ and it relates to the amounts on which the guaranteed interest is payable to the -- Board. The Comptroller is agreeable to pay interest on Rs.4,48,800/- and to the accounts ~~to be~~ being made out on this basis.

Vide "Comptroller's Report" A/

(2) The Chief points which require consideratio are noted upon in detail in the following paragrap

3) <u>The amount on which guaranteed interest has to be paid.</u>

The Auditor, Mysore Railways contends that under Clause 3 (a) of the agreement entered into by Government with the District Board, guaranteed interes is payable on the amount of the loans actually spent on the construction of the railway. Out of the loan of Rs.8/- lacs authorised to be raised, only a sum of Rs.4,48,800/- was raised by the Board of which - - - Rs.2,90,318/- was invested in the Governmen Securities. The Auditor contends, theref guaranteed interest is due to the Board of the loan actually raised and used for tion of the Railway, namely Rs.1,58,482/

Intn.Sheet

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General and Revenue Secretariat

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The Comptroller does not agree with the Auditor, --- Mysore Railways, and states that all along it has not been regarded that the Government guarantee extends only to the portion of the loan which was actually -- expended on the Railway construction, ignoring - - - Rs.2,90,318/- invested in the Government of India -- Securities and that on this assumption, guaranteed interest due to the Board has been calculated and -- adjusted in favour of the District Board. The President contends that guaranteed interest is payable to the Board not only on the amount made available out of theloan but also on the capital contribution out of Railway cass and the portion of the District Fund -- ordinary balance. ~~Even, on Rs.16,00,000/- vide Item 4 (b) of the statement put up.~~ The question was once before raised by the Comptroller and in Financial Secretariat letter No.Fl.×2762/G.F.71-26-2 dated 29th September 1926, the Comptroller was informed that -- guaranteed interest should apply only to the loan -- actually spent on the Railway. This seems to requi: reconsideration. We may have to pay interest on -- Rs.4,48,000/- at least if not on 8 lakhs required be raised by the Board on which guarantee was promi

Flag W

4) Interest on overdrawals:- The President co: tends that the question of interest on overdrawals the Government Treasury may be dropped altogether. The Auditor considers that a sum of Rs.75,508/- is to be paid by the Board on this account. Vide items IV (a) and V of the statement put up. In G.O.No.L. 7456-58 dated 12th May 1923 accounts were made up t end of 1921-22 wherein guaranteed interest due up that period on Rs.4,48,000 was allowed and the - -

Flag I

NOTE. Contn.Sheet

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balance then struck was Rs. 59,027/-. Also Interest for overdrawals was claimed from 1917. The Board entered into the enterprise not only by raising a loan but also by levying Railway cess and utilising a portion of their ordinary balance for the construction of the Railway.

But it may be stated that the terms offered to the Mysore District Board are comparatively very favourable. In the case of District Board which -- have simply accummulated their Railway Cess, the -- Government have allowed interest at 4 per cent on the Savings Bamk rate. In view of the special -- circumstances of the case of the Kolar District -- Board and in view of the fact that a guaranteed --- interest is paid only on the portion of the capital actually raised by the former, the grant of some - special concession has perhaps to be considered. (vide suggestion in para 7 infra).

5) Limiting the Capital contribution by the Boar to Rs. 13 lacs in order to enable them to abolish t railway cess at an early date. Working the line a 60% gross earnings (vide item VI in the statement). The Auditor says that the necessity for the consideration of this po does not exist and limitation of expenditure is not pr vided for in the agreement. This is a matter which be settled only by amending the terms of the agree ment and is one for consideration of the Governmen The Auditor also states that Railway cess cannot be abolish as the net earnings are not sufficient to meet interest on capital.

Half

6) Division of net earnings from the railway bet-

NOTE Contn. Sheet

WEEN

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between the District Board and the Government. The Board claim guaranteed interest in addition to a --- share in the net earnings in the different years. The amount claimed by the Board is shown in the District Board's statement No.I which is abstracted in para 3 of Item III of the Office statement. The Auditor, Mysore Railways, contends that the maximum amount --- which the Board could expect in a year is either --- guaranteed interest on the Debenture amount excluding the investment in Government of India Securitiesi.e., on Rs.4,48,800/- ~~Rs.4,58,488 = 2,90,318/-~~ Rs 2,90,318 = 1,58,482/- or a share in the net earnings in proportion to the capital contributed by the Board as compared with the total cost of railway. Vide para 4 of his reply against Item No.III. In a note submitted on 2nd December, 1925 in connection with the relief to be given to the Boa in respect of its ~~application~~ obligations on account of the --- railway, the Chief Secretary proposed that the Board might be paid a share of the railway earnings on som equitable basis. The ~~supposition~~ proposition was to treat the interest on the loan as first charge on the net --- earnings, the balance being divided equally between Government and the Board irrespective of the capital contributed by each of these bodies. The then --- Financial Secretary who is now the present Second -- Member was ~~also~~ agreeable to this proposal.

7) The Board has to levy an Education cess, with a view to enable it to levy the same it is also ~~suggg~~ suggested that the question of remitting the interest on the overdrawals and of the distributionof the net earnings from the Railway ~~may be clubbed together~~ may be considered along with the grant of the following concessions, notwithstand-

NOTE- Contn.Sheet

Serial No.

notwithstanding anything to the contrary in the --- agreement ~~may be considered~~-

(1) No interest to be charged to the Board for overdrawals shown in the accounts. The interest on overdrawals already recovered to be refunded to the Board.

(2) Under the agreement the Board had to raise ~~in~~ loan up to Rs.8/- lakhs ~~and~~ on which interest was --- guaranteed. They have raised more capital by,

(1) debenture (2) Railway Cess and (3) from their ordinary balance. They may, therefore, be allowed --- guartanteed interest ~~on~~ upto Rs.8/- lakhs which they had to raise, ~~under the agreement~~ irrespective of the source from which it was contributed.

The Comptroller is agreeable to allow interest on Rs.4,48,800/- debenture loan actually raised.

(3) The guaranteed interest to be made a first charge on the entire net earnings from the Railway in each year.

(4) The remainder of the net earnings in each year be distributed between the Government and the Board in proportion to the capital contributed by -- each after deducting the amounts on which guaranteed interest is payable as above.

5) The Financial Secretariat may be consulted on the above.

9042/1/3/27

First Member

28/2

I am in favour of the above proposals. As I have already said more than once, the Rotar

Notes Contn Sheet

President's report.

Auditor's notes.

IV (a) Rs.85,540 is shown as due to Government on account of interest on overdrafts according to the Accountant's report.

Under para 6 of the Agreement, Government can charge interest on overdrawal only when there is surplus and as no surplus ~~in~~ profits have been earned by the Railway, the --- demand either for advances made or for interest thereon is premature. He wants refund of interest recovered viz., -- Rs.28,823/- as irregular and against Agreement.

(b) If interest is claimable on this, the Board are -- entitled to:

(i) guaranteed interest due/but withheld till 1922-23,

(ii) half the share of profit earned but not paid up-to-date.

(iii) excess of capital expenditure receovered from the Board and still due.

(iv) the Board have foregone the interest/both on Railway cess collections and their surplus balances -- which they would have got if the sum was invested.

(v) The Board was not asked to pay for additional -- expenditure and never pleaded inability to do so.

V. The Board/want guaranteed interest on Rs.8,00,000/-

IV. (a) Demand for advance is correct, under clause 9 (a) of the Agreement, the Board must pay from the Railway cess or other funds of the Board. ~~Demand~~ Demand for interest for overdrawals is correct under order of May 1923. The amounts taken as Board's contribution in years 1913 to 1926 have not been actually paid by them in full in --- those years and represent the debits raised by the -- Comptroller to meet the Board's share of capital expenditure. A sum of Rs.85,540 has to be paid by the Board on this account from 1917. If interest on the amounts over due to it on account of its share of net earnings is to be allowed they may get Rs. ~~1x032/x~~ 10,032/- as in statement (B). and they have to pay Rs. 75,508/-.

IV (B). The Board had no funds to provide for --- additional expenditure or investments even if it had been called upon to do so.

V. The ~~xxx~~ interpretation of clause (3) of the

it not on their share of Rs.12,00,000/-.

VI. Apportionment of expenditure.

~~No change sought~~ ~~No change sought~~ the remuneration paid to ~~xxxxx~~ ~~xxxxx~~ the Chairman, Bangalore-Chikballapur Railway Board and running power expenses ~~to~~ be excluded ~~as to~~ this relating to Bangalore-Chikballapur Railway ~~and~~ expenditure limited to 60% of gross earnings and their share of capital outlay limited to Rs. ~~30,00,000~~ 13 lakhs/- to ~~enable~~ abolish Railway cess.

agreement has been made clear in G.O. of September 1926 according to which, Govt. guarantee extends only to the actual expenditure of Rs.1,58,482.

The expression "Whole capital" in para 4 of G.O. of 22nd April 1914, represents the amounts of loan raised for construction purposes and not railway cess and other collection used therefor as is to be seen from para 7 of the G.O. Railway Cess is intended not only for construction but also for meeting of losses in working. Guarantee cannot extend to whole capital contributed by the Board.

VI. Exclusion of Bangalore-Chikballapur Chairman's Office (a) expenses ~~xxxxxxxxx~~ ~~xxxxxxxxx~~ ~~xxxxxxxxx~~

A statement furnishing the views expressed by the several Departments concerned in the audit of the Kolar District Board, Railway Accounts.

District Board President's Report.	Auditors notes.
I. No appreciable variation in accounts. There is difference of opinion re. "guaranteed interest" and liability of Board to pay interest on over-drawals. The Accountants have not checked the statements for four years from 1913-14 showing a large debit of Rs.8,12,545-6-6 to the District Board in addition to the payments made by the Board.	I. The Board's Capital Rs-12,66,784. A large debit of Rs.8,12,545-6-6 is correct. The difference viz., Rs.1,53,421 represents the difference between the closig balance of 1914-15 and opening balance of 1915-16 in the -- District Board Accounts and represents a portion of railway capital expenditure payable by the Board, as otherwise the figure of Rs.9,24,009 taken as Board's share of capital expenditure in the G.O. of May 1923 cannot be correct.
II. Government undertook to bear loss of interest on ~~xxx~~ capital loan at 4%.	II. Only Rs.1,58,482/- was spent on construction and guaranteed interest is payable only on this under G.O.No.Fl.2762/G.F.71-26-2 dated 29-9-1926.
III. District Board agreed to bear half of Bowringpet-Kolar viz.,Rs.3,43,910 and Kolar-Chikballapur Rs.14,90,384 or Rs.9,17,147 being half of the total estimated cost --- amounting to Rs.18,34,294. The cost up to end of June 1925 was Rs.24,87,038/-, i.e., Rs.6,52,744 more. This was incurred without ~~xxxx~~ prior consultation of the Board for	III. Government are not bound to consult District Board under Clauses 6 and 7 (a) of the Agreement. They may incur expenditure necessary for safety of the public and efficient working of the line. The President has been intimated of this in G.O.No.L.7336/L.B.152-25-2 -- dated 8-6-1926.

which no account was furnished. For 1914-15, the Board was debited Rs.2,99,404 though actual expenditure was - - - of Rs.1,51,661 Rs.1,47,743/-, The Balance was not refunded. No demand was made up to 1921-22 for Capital outlay, and the District -- Board have paid bills from 1922-23.

The percentage of net earnings would be less and -- guaranteed interest would be more if the lumpsum debited without Vijiapur accounts in 1914 is taken into account.

According to statement I, Board's share of net -- earnings plus interest calculated on deficit rate viz., on Rs.4,48,000 will be Rs.1,46,032 plus 1,29,860 or 2,75,892 and deducting guaranteed interest received viz., 1,27,990 ~~max they have to get Rs.1,47,902~~ and if interest on full Rs.8,00,000 loan is taken it will be 1,46,032 plus --- 2,52,000 or 3,98,032 minus Rs.1,27,990 or 2,70,042. --- According to Auditor's only a sum of Rs.22,981/- is to be paid. The President, wants refund of the amount specified by him.

Questions of refund do not arise, as Rs.1,47,743/- is not the outlay for 1914-15, but the amount debited by the Comptroller to the Board.

From 1922-23 bills are sent to the Board. Prior to that the District Board's share was being booked in the Railway Account under '9 Local Funds, (b) District Funds Kolar' and the procedure followed by the Comptroller for recovering the amount from the Board is not known to the Audit Office

~~The President wants refund of the amount specified by him.~~ The Board's claim for half net earning for each year instead of for a proportionate share of their --- capital contribution to capital cost is not in order. As also the claim to net earnings inaddition to guaranteed interest as there is no surplus profit. They can claim either guaranteed interest or share in net --- earnings. According to statement(A) the Board has to refund Rs.14,151/-.

A sum of Rs.24,860/- found to be due as a result of certain writes-back effected in the accounts of --- 1924-25 have been adjusted.

President's report

II. The Board's claim is for Rs.1,99,706/-

i) Half the net earnings 146032
(ii) Guaranteed interest @ 4½% on 4,48,000 129880
iii Refund of Excess Capital remand 22587.
iv. " Interest remand 28523
327656
Deduct guaranteed interest received 127950
Balance. 199,706

Auditor's notes.

(i) The Board has to pay Rs.4,48,000 loan less amount realisable from face value of Rs.3,00,000/- of 3% per cent Government of India pronote.

(ii) Rs.75508/- interest on overdrawals. a n d

(iii) Rs.14,151, excess received by the Board on account of its share of net earnings.

VII. No dues to District Board. They have to pay to Government.

(Comptroller agrees with the views of the Auditor except in regard to guaranteed interest which he considers may be paid on the full loan raised by Rs 4,48,000/-

Note on the Kolar District Railway.

8 A ~~S~~ Statement showing the statistics relating to transactions of the Kolar District Railway ~~was~~ are put up.

9 2. The main point for consideration is whether the District Board must refund the guaranteed -- interest payable under the agreement and if it is not to repay the same, on what amount guaranteed interest may be paid by the Government.

10 3. A perusal of paras 3 and 9 of the agreement shows that the Govt. have agreed to pay to the Kolar --- District Board ~~payment of~~ interest at 4 per cent on the loan used for the construction of the Railway and that as guarantors they are entitled to one-half of the surplus amount when the line yields -- more than 4 per cent per annum. ~~The guarantors being entitled to a special remuneration and in the~~ In the absence of a specific provision ~~to the contrary~~ in the agreement, the Govt. cannot ask the Board to refund the amount made good by them every year in respect of the guaranteed capital when the line does not yield a return of 4 per cent per annum.

11 4. The District Board is entitled to not only its proportionate share in the net earnings from the railway every year in respect of the entire capital contributed by it but also a grant from the Govt. in respect of the portion of the ~~guaranteed~~ capital guaranteed by them so as to make up every year during the currency of the guarantee a return equal to 4 per cent on the guaranteed capital.

12 5. With regard to the question as to the amount on which guaranteed interest should be paid, it may be

noted that an overdraft is also a loan and ~~noted~~ that the Board had to overdraw on the Treasury as the second loan proposed to be raised by the Board was not successfully floated. If the loan had been fully subscribed for, Govt. would have had to pay guaranteed interest up to a total of Rs. 8 lakhs to be used on the construction of the railway. As the Govt. charge interest on the over-draft ~~they have~~ allowed to the District Board, Govt. ~~have to~~ may consider favourably the question of -- guaranteeing interest on the amount provided by the Board for capital expenditure up to Rs.8 lakh irrespective of the ~~xxxx~~ source from which the capital has been contributed.

13 6. There are four ways of disposing the case and they are as detailed below:-

14 1. ~~First~~ View. Government may guarantee interest up to Rs.8 lakhs on the capital supplied and -- charge interest on over-drawals.

In this case the position will be as follows

(1) District Board's share of net earnings. ...		Rs.163,912
(2) Amount to be made good by Govt. in respect of interest on guaranteed capital.		" 251,200
	Total:	Rs.415,112
Interest already paid. ..	Rs.181,846	
Interest on over-drawals. (About)	" 79,000	
	-------	260,846
Net amount to be paid to the Board (about)		154,000

p.t.o.

8. Second view. Government may pay guaranteed interest only up to the loan actually raised and - charge interest on over-drawals.

This view is in accordance with the present practice and has been acquiesced in by the Board for a long time. The Comptroller appears to be also in favour of this view. In this case the account will stand as noted below:-

(1) District Board's share of net earnings. ...		Rs.163,912
(2) Amount to be made good by Govt. in respect of interest on -- guaranteed capital.		" 147,688
Total		" 311,600
Interest already paid.	Rs.181,846	
Interest on overdrawals.	79,000	" 260,846
Net amount to be paid to the Board. (About)		50,000

9. Third view. Interest on guaranteed capital up to the amount of loan raised to be a first charge on the net earnings, the remainder being divided - equally between the District Board and the Govt.

In this view, the position will be as noted below:-

(1) Interest on guaranteed capital.

Year.	Amount.		
1913-14.	73,900		
1914-15	377,000		
1915-16	400,000		
1916-17 to 25-26.	4488,000		
	5338,900	at 4 per cent.	213,556

(2) Moiety of remaining net earnings due to the Board.

Net earnings	327,823	
Guaranteed interest	213,556	
Balance	144,267	
		57,134
Total amount due.		270,690
Amount already paid	181,846	
Interest on overdrawal	79,000	
Net amount due to the Board about		260,846 10,000

17

10. Fourth View.

(a) Guaranteed interest on the loan raised for railway construction to be paid so far as - it is used.

(b) The District Board to be entitled to proportionate net earnings with reference to the capital made available out of the railway cess and its own funds after excluding the loan amount without being required to supply funds by taking an overdraft and the remainder of the capital to be treated as Government capital entitled to proportionate net earnings.

(c) Interest on overdrawal already recovered to be refunded to the District Board.

No minus balance is to be charged for overdrawals, in this case. The position of the -- Board will be as noted below:-

(1) Amount due on account of guaranteed interest.		2,00,920
(2) District Board's share of net earnings on the -- capital supplied from -- time to time.		54,641
		2,55,561
Amount already paid to the Board.	181,846	
Less amount to be refunded to the Board, on account of interest on overdrawal already recovered.	28,760	
		1,53,086
Net amount due to the Board (about)		1,02,000

18

11. The concession shown to the Kolar District Railway is that up to the end of 1916-17 the -- entire loss on working i.e., the excess of working expenditure over gross receipts is borne by the Government. In the case of the Mysore ~~District~~ District Board railway, the draft agreement provides

for the working of the line at 70 per cent of the gross earnings from the railway and it is open to the parties to vary or modify the percentage on the expiry of a period of 5 years from the commencement of the agreement.

25
4/3/27

Statistics relating to Rohri Bisalpur Railway.

Year	Over-drawal	Capital paid	Balance of cap. not yet paid	Roy cess used	Loan used	Total cap expended by Roy	Net earnings per cent	Rate at which interest has been made up	If 8 lakhs are guaranteed: Guaranteed cap	If 8 lakhs are guaranteed: Amount to be made good	If Rs 4,48,800 are guaranteed: Guaranteed capital	If Rs 4,48,800 are guaranteed: Amount to be made good	If 4,48,800 is guaranteed and if earnings are claimed in proportion to cap contributed without contemplating any over-drawals: Loan cap	Dt Bal cap	Gross cap.	Earnings due to Roy	Sinkings in Loan used at 4%	Sinkings already paid	Net earnings from Roy
	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs	Lakhs			Lakhs	Rs	Lakhs	Rs	Lakhs	Lakhs	Lakhs	Rs	Rs		
1913-14	1·4	3·0	1·5	—	1·0	2·9	-·17	4·17	·739	3,081	-739	3,081	1·5	—	1·4	—	3000	—	-2
14-15	3·9	6·0	2·1	·5	1·0	12·1	·91	3·09	6681	11,649	3·770	11,649	2·0	—	10·1	—	8,000	—	6,8
15-16	4·8	7·5	2·7	1·0	1·0	15·1	1·77	2·23	8·00	15,190	4·000	8,920	2·6	—	12·5	—	10,400	—	24,0
16-17	4·5	9·2	4·7	1·6	1·6	18·4	·24	3·76	8·00		4·488		4·5	0·1	13·8	—	17,952	20,276	4,4
17-18	3·6	9·2	5·6	2·1	1·6	19·1	1·88	2·12	8·00		4·488		4·5	0·0	13·6	940	17,952	17,958	36,0
18-19	2·9	9·2	6·3	2·7	1·6	19·4	-·94	4·94	8·00	—	4·488	—	4·5	1·7	13·2	1269	17,952	17,948	-54
19-20	1·5	9·2	7·7	3·5	1·6	20·8	2·27	1·73	8·00		4·488		4·5	3·0	13·3	5,334	17,952	17,952	47,2
20-21	1·8	9·2	7·4	4·4	1·6	21·5	1·56	2·44	8·00	221,280	4·488	124,038	4·5	3·0	14·0	4,680	17,952	17,952	333
21-22	·7	9·2	8·5	5·3	1·6	21·9	1·08	2·92	8·00		4·488		4·5	4·0	13·4	3,780	17,952	17,952	23,6
22-23	·7	10·9	10·2	6·2	1·6	25·5	1·38	2·62	8·00		4·488		4·5	5·5	15·5	6,555	17,952	17,952	39,2
23-24	1·1	12·8	11·7	7·1	1·6	25·2	1·11	2·89	8·00	—	4·488	—	4·5	7·0	13·7	6,937	17,952	17,952	28,2
24-25	1·1	12·8	11·7	7·9	1·6	24·8	2·36	1·64	8·00		4·488		4·5	7·3	13·0	16,874	17,952	17,952	58,5
	·09	12·8	12·7	8·7	1·6	25·5	1·40	2·60	8·00		4·488		4·5	8·0	13·0	19,701	17,952	17,952	35,1
								27·86	Total	251,200		147,688				54,641	200,920	191,846	327

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19) A further note by Mr. Seethayamah is put up.

20) I do not think that Govt should insist on the letter of the bond - but in view of the great poverty of the Dist. & heavy land revenue cost that it secures by allowing the guaranteed interest upto the amount of guarantee (6 lakhs) irrespective of the source from wh. the Board gets its Capital ie whether from the loan, from ordinary funds, or from the Cess. On this basis the Board is entitled to 1,54,000. On the strict terms of the contract the Board is entitled to 50,000.

I do suggest - in view of Govt's financial position - that a lump sum of 1 lakh be paid to the Board.

21) With this Cess balance & these normal resources, the Board should be able to meet Capital Expre in normal years. The Cess may therefore be suspended from 1st July 1927, with power to the Board to levy such portion of it as may be necessary in any year in wh. the levy may be resumed.

of interest on open funded debt

The three sources for meeting Cap. Expre should be funded in the most advantageous manner & the interest used only for the above purpose & not mixed up with the Board's other transactions

First legislative Committee RJ

NOTE—Contn. Sheet

Lee 9/3/27. If this scheme is approved, the Govt should in Council with this approval

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27) Fin/Secy with Compts
Rs
9/3.

28) I have carefully gone through the papers and examined the note put up by Mr.Sitharamiah. In the peculiar circumstances of this case, I agree that Government may be somewhat generous in settling the outstanding points of difference between the Board and the Government. For reasons stated below, I would suggest the payment of Rs $\frac{3}{4}$ lakh* (instead of Rs one lakh proposed by the First Member) in full discharge of the claims of the Board up to end of 1925-26.

1560
18/3

* subject to verification of the details of the account if necessary.

The main items under issue are the following:-

(i) Determination of the amount for payment of guaranteed interest of 4%

(ii) Apportionment of the net earnings between the District Board and the Government.

(iii) Treatment of overdrawal from the treasury to meet the Board's share of the capital outlay.

(iv) Abolition or suspension of the levy of the Railway cess.

29) One of the concessions originally offered by Government was the guarantee for 25 years of payment of 4% interest from State funds on the whole capital outlay on the construction of the Kolar - Bangalore railway. When the line was proposed to be extended to Chikballappur, the capital required for the construction of the entire line was agreed to be supplied not by the Board alone but in moieties by the Board and the Government. The

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guarantee regarding the payment of 4% interest was limited to the loan expected to be raised in the open market for financing the Board's share of capital outlay. The Board was unable to raise by debenture the full amount of Rs 8,00,000 contracted for. The sum of Rs 2,90,000 invested out of the loan collections remained locked up and overdrawals from the treasury became necessary and the Board practically financed its portion of capital in excess of the loan amount out of the annual cess collections. There is thus no liability incurred by the District Board to meet interest charges on the portion of the capital financed by the levy of the Railway cess.

25 The final agreement was drawn up after prolonged discussion and after the line was opened for traffic. The clauses of the agreement relevant to the question under discussion are:-

" The Government do hereby guarantee the payment of 4% per annum on the loan of Rs 8,00,000 or such portion thereof as has been raised by the Board and used for capital expenditure by the railway". And in regard to the application of the railway receipts it is provided " that after payment of working expenses., the net earnings will be applied for payment of interest at 4% per annum on the share of the capital contributed by the Board and the Government."

26 Both the partners have now contributed in equal moieties towards the capital and the Dis-

NOTE—Contn. Sheet

Serial No.

District Board cannot strictly claim preferential treatment in respect of any portion of its share of the capital except to the extent of enabling it to discharge its liability to pay interest on borrowed money. One of the arguments advanced by the Board in support of its contention ~~is that~~ for guaranteed interest being allowed on Rs 8 lakh is that it would have earned interest at 5% if the cess collections had been invested in the Savings Bank instead of being spent on the railw This plea is obviously untenable. The loss incurred on the construction and the working of the railway cannot be thrown entirely on Government. The levy of the cess was authorised not for adding to the resources of the Board for general pur poses but for enabling it to finance its share of capital outlay and for forming a sinking fund for the repayment of the public loan proposed to be raised for construction of the railway. The response to the loan not having been adequate, the cess as it was collected was utilised ~~ever~~ for meeting the Board's share of capital. The latest accounts show that the Board's share of outlay in excess of the loan capital has been covered by the cess receipts.

2) Though the President in his letter of 12th October 1926 requests that the guaranteed intere may be paid to the Board on the total sum of Rs 8,00,000 which was intended to be raised in the open market, he is apparently conscious of the

Serial No.

weakness of the claim and has submitted for acceptance the minimum claim of the Board for payment of interest on the sum of Rs 4,48,800 actually raised by the Board on debentures. This is the only reasonable view to take and may be accepted with the qualification that interest to be allowed in each year should be limited to the capital actually supplied by the Board. Mr. Sitharamiah has calculated in his note that the amount due to the Board according to this arrangement (Fourth mode of division) will be Rs 2,00,920.

28 Next as regards the mode of apportionment of net earnings, the board's claim for equal distribution irrespective of capital outlay supplied by each of the partners in each year is equally untenable, unless the Board agrees to pay interest on the overdrawals from the treasury to meet its share of capital outlay. If the Board had raised its full share of contribution towards the outlay as and when it was required, Government would have been released to that extent of the obligation of financing the outlay in excess of their share and the loss to the general tax-payer would have been avoided. The advances drawn from the treasury to meet the Board's share of expenditure must therefore be rightly treated as preferential capital, interest upon which should be a first charge on the railway.

29 On a strict interpretation of the agreement

WD 01229—GPB—37,500—1-9-2(
App. F. III—2]

Serial No.

the Board would be entitled to a share of net earnings in either of the two following ways:-

(1) Net earnings may be apportioned according to the capital contributed in each year by each of the partners, provided that the Board's minimu share will be the amount of interest at 4 % on the guaranteed capital. This is the audit view. or (2) The interest on the guaranteed capital may be the first charge on the Railway and treated as working expenses and the rest of the net earnings may be distributed between the two partners in proportion to the capital actually contributed by them excluding the preferential capital. ~~The~~ The equitable arrangement will, however, be to calculat the share due to each party on the capital outlay actually financed by it during each year irrespective of the agreed share and to pay the Board the deficit to make up the 4% interest on the guaranteed capital. Mr. Sitharamiah calculates that a sum of Rs 54,000/- will become due as the Boards' share of net earnings according to this mode of calculation till end of 1925-26.

30) As regards the question of overdrawal, it has to be observed that the amount advanced by Goverm ment should be properly ~~be~~ treated in the same way as the loan capital for the reasons already stated.

31) According to the accounts madeup by the Auditors a sum of about Rs.85,000 is still due to Government on account of interest on over -

Serial No.

overdrawals to end of 24-25 and adding roughly about Rs 4000/- as the interest on minus balance for 1925-26 the total sum due is about Rs 89,000. If allowance is made for counter interest due to the Board on ~~accounts~~ amounts due to it but withheld for some time, a sum of Rs 10,000 may have to be paid to the Board. The net amount payable to the Government is about Rs 79,000 besides the interes of Rs 28,823 already recovered.

32) Out of the loan proceeds a sum of Rs 2,90,000 was invested in securities pending the use of the money for Railway construction. The Boards unwillingness to sell the securities when money was required necessitated the overdrawal from the Government Treasury. The Board has had the benefit of the interest from the investment, while the Government were obliged to finance the Railw expenditure in excess of their share.

33) In view, however of the slender resources of the Board, Government may waive their claim to the interest still due in respect of such advances provided that the claim for the refund of interest already recovered be not pressed by the Board. The value of this concession amounts to Rs 79,000 and this is as much as can fairly be expected by the Board under the circumstances.

34) According to the above proposals the Board would (subject to verification of figures by the Audit office) be entitled to receive a sum of Rs ¾ lakh which may be paid in final settlement of

WD 01229—GPB—37,500—1-9-26

Serial No.

all claims of the Board on the railway and the Government till end of 1925-26 as indicated below:-

(1) Amount of guaranteed interest at 4% on loan amount limited to the extent of capital supplied by the Board in each year. ...	Rs	2,00,920
(2) Share of net earnings on the Board's capital excluding guaranteed portion calculated at the percentage of earnings for the year on the total capital.		54,641
Total		2,55,561
Deduct amount already paid to the Board towards guaranteed interest. ...		1,81,346.
Net amount due.	Rs	73,715
or in round figures.	Rs	75.000

357 The claim of the Board for refund of excess capital paid over its share viz., Rs 24,850 is reported to have been already adjusted. No further action is called for in this respect.

As regards the Railway cess, it would of-course not be wise to abolish the levy of Railway cess altogether. Even as regards the suspension for some time, I beg to offer a few general remarks. The demands for funds for development of Railway facilities are many. The capacity of the Government to finance them is limited. When once the cess is suspended Government may find themselves in an embarrassing position to restore the levy later. The resources of the Board are admittedly slender and by the continuance of the levy of the railway cess for forming the

WD 01229—GPB—37,500—1-9-26

Serial No.

Loan Sinking Fund it would be possible to release the investment of ₹ 2,90,000 made out of the debentures collections of the Board and the interest earned from it may be allowed to be used by the Board for its general purposes. The Railway may be expected to yield hereafter to the Board net receipts roughly ₹ 20,000 and the Board will thus annually have about ₹ 30,000 to supplement its normal revenues.

36) The normal collections from the cess is about ¾ of lakh. Government have under contemplation the undertaking of the Bangalore-Hosur Line. If this proposal matures suitable improvements in the Kolar District Board Railway to bring them to an efficient condition to cope with the through traffic with that line, will have to be effected and funds required for this development cannot, under present conditions, be wholly met by government. There will be an undue strain on the cash position of the treasury if the resources available from levy of railway cess is stopped. There has been no market borrowing for some years past and it would be desirable to conserve all the internal resources for meeting the capital commitments.

37) On general financial grounds therefore, I venture to think that the suspension of the cess would not be a desirable step to take just at present. The question may perhaps be reconsidered sometime after the Bangalore-Hosur Line is

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat | File No. | of 192

Serial No.

built up and the normal requirements of capital outlay for open lines works on the Kolar District Railway is known with certainty. k 15.3.27

38) To General Secretary with compliments.

Refer First members minute of 9.3.27

39) First member RG 16/3

9519/16/3

40) The question may be considered at a meeting of the Council with Dewan's approval.

lee 17/3

Dewan thro Ch. Secy. RG 18/3

M 19/3

41) 19/3 20/3

42) Ch. Secy with compts RG 22/3.

DEWAN'S OFFICE.
Received on
19. MAR. 1927
D.O. No. 6716

RS 22/3/27 Ques Le MLL 23/3

NOTE—Contn. Sheet

8

(For Disposal at a Meeting)

No. C. 357
of 1926-27.

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT

(clause XII of the schedule)

43) Consideration of the requests made by the Kolar District Board in connection with the Kolar District Railway.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

Chief Secretary to Government.

18th April 1927.

10703/1814 First Member of Council. 19/4/27

Second Member of Council. (on leave)

2142/19/4 Third Member of Council. 20/4

20/4

D2

14 C357

Subject. -

45) Report on the audit of the Kolar District Board Railway and certain requests made by them in connection therewith.

OPINION OF THE COUNCIL.

45) Note
The figures to be
worked out on the lines
discussed in Council

MM
9/4

46) To Sec. with enclosure

5823
12.4.27

MM
12/4

47) A statement giving the calculations of the amounts due by and payable to the Dt. Board on the lines discussed in Council is put up. The figures have been worked out with the help of Mr. Sitharamaiah of the L.B. Section.

To chief secretary with compliments. 16.4

48) circulate
MM
18/4

Subject. -

49) Consideration of the requests made by the Kolar District Board in connection with the Kolar District Railway.

....

OPINION OF THE COUNCIL.

1. Determination of the amount for payment of guaranteed interest of 4 per cent.

50)

Guaranteed interest at 4% may be allowed on the total amount of the debenture loan raised; but subject to the condition that interest at this rate shall be limited to the capital actually supplied by the Board for the construction of the railway, in years when such capital fell short of the debenture amount

2. Apportionment of the net earnings between the District Board and the Govt.

51)
2. Interest & charges on overdrawals at 4%

The net earnings from the railway may be distributed in proportion to the total capital (other than capital bearing guaranteed interest) actually contributed by the Board and the Government in each of the years irrespective of the capital share to be contributed according to the agreement.

3. Treatment of over-drawal from the Treasury to meet the Board's share of the capital outlay.

This question does not arise in view of the decision with regard to point 1 above.

P.T.O.

57\4. Abolition or suspension of the levy of railway cess.

This question may be considered after the Bangalore-Hosur line is constructed and the normal requirements of the capital outlay for open line# works on the Kolar District railway are known with certainty.

53) The following note gives the figures calculated to end of 1925-26, on the lines discussed in Council:-

Sl.no.	Particulars.	Cr.	Dr.	Remarks.
		Rs.	Rs.	
i.(a)	Guaranteed interest @ 4% to be allowed on the total amount of Debenture loan raised, viz., Rs.4,48,800 limited to the total capital contributed by the Board in each year...	2,20,337		Vide detailed Sheet attached
(b)	Deduct amount earned by Railway on the loan capital at the percentage rate on the total invested capital for each year.		76,182	"
(c)	Deficit to make up 4 p.c. payable by Government as Guarantors... ...		1,44,155	"
ii.(a)	Interest on overdrawals by the Board to make up the agreed share of capital to be contributed by the Board calculated upto end of 1925-26, @ 4% (Vide, G,O.* of 12th May 1923, and Dist. Board's President's letter dated 18th November 1920.)		1,14,301	* Flag "W" Vide Statement No.8 attached to the Audit Report.
(b)	Deduct interest on overdrawals already paid by the Board to end of 1916-17..	28,761		Vide Statement 2 attached to the Audit Report.
(c)	Rebate due to the Board on amounts payable to the Board calculated for periods withheld @ 4%...	10,032		Vide Statement B attached to Railway Auditor's Report.
(d)	Balance payable by the Board as interest on overdrawals	75,508		
iii.	Moiety of net earnings, viz., Gross receipts minus working expenses distributed between the Board and the Government according to the adjusted capital outlay, including amount overdrawn by the Board, to end of 25-26	1,54,423		Vide statement A attached to the Auditor's Report.
iv.	Amount paid to the District Board to end of 1925-26 towards guaranteed interest.		1,81,846	
v.(a)	Total amount payable to District Board to end of 1925-26 (items iii and i.(c).	2,26,578		
(b)	Total amount to be accounted for by the Board (items ii(d) and iv		2,57,354	
(c)	Net amount payable to the Bd.		41,224	

P. T. O.

54)

vi The president of the District Board in his letter of 11th November 1920, desired the continuance of the over-draft arrangement pending detailed examination of accounts and in Government Order of 12th May 1923, orders were passed for the recovery of interest on overdrawals at 4%. The levy of interest at this rate is in order and under the agreement, interpreted in the light of orders already passed the Board is entitled to be paid a sum of Rs 41,224 only to end of 1925-26 according to the above calcualtion sheet.

55) viii. The average rate of Railway earnings on the total invested capital to date is 1.367 p.c., credit at which rate has been given to the Board in the appotionment of net earnings in col.iii overleaf; and by charging interest on overdrawals, the Board will pay extra interest only at 2,633% p.a.,. If half of this (or 1/3rd of 4%) be remitted as a measure of generosity to the Board, the amount payable to the Board will be Rs 41,224 + 34,756 = ie 75,980.

Interest due by the Board.	Rs 1,14,301	This is about the same amount viz., ¾ lakh of rupees, recommended in my note dated 15th March 1927. If the excess interest, ie. two thirds of 4%, which the Board has to make good out of its own funds, be wholly remitted, the Board will be due to be paid (Rs 41,224 plus Rs 69,512 = Rs 1,10,736), say, a lakh of rupees as recommended by the First Member.
Deduct rebate	10,032	
Balance	1,04,269 *	
* 1/3rd of this amount is Rs 34756.		

23

P.T.O.

Extract from the Proceedings of the 797th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 22nd April 1927. *19*

57

194. Subject. - Clause xii of the schedule.

Consideration of the requests made by the Kolar District Board, in connection with the Kolar District Railway.

OPINION OF THE COUNCIL.

58 Accounts with the District Board may be settled on the basis of the second alternative discussed by the Financial Secretary in his note dated 16th April 1927, according to which a sum of about Rs.75,000/- would be payable to end of 1925-26.

59 The District Board may be permitted to reduce the Railway Cess to 3 pies per rupee, if the Board so desires. This relief seems necessary in view of the fact that most of the Taluks in the District are somewhat heavily assessed to land revenue and education cess is ~~now~~ to be imposed in addition.

(Signed) Mirza M. Ismail,

Dewan of Mysore.

"EXTRACT"

Chief Secretary to Government.

WD 433—GPB—1,000—1-9-20

12

(For Disposal at a Meeting)

No. C. 357
of 1926-27

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xii of the schedule)

65 Report on the audit of the accounts of the Kolar District Board Railway, and certain requests made by the District Board in connection therewith.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

24th March 1927.

Chief Secretary to Government.

Extraordinary Member of Council.

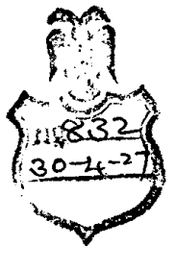
9833/25/3 **First Member of Council.** 10e/26/3

Second Member of Council. (on leave)

14 S 1/26/3 **Third Member of Council.** 083/28/3

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.



73 Action taken upon the requests made by the Kolar District Board as regards Kolar District Railway.

Order.

73 ~~KRW~~

4/5/27

74 Chief Sec'y

Sec'y

Genl Secy

S. S

W.20447
1 file

Chief Secy for Note.
(His power was signed when drafting the resolu.)
Lee 5/5
8d 5/5.

THE PALACE,
MYSORE.

May 4th, 1927.

My dear Chandy,

57 In returning herewith the file relating to the settlement of railway accounts with the Kolar District Board, I am directed to say that it is presumed that no reference will be made in any published document to the statement that most of the taluqs of the District are "somewhat heavily assessed to land revenue."

Yours sincerely,

C Todhunter

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

d and Revenue
ecretariat

LB File No. 114 of 1926

Serial No.

76 Subd with draft for appl
Cal
10/5 16.

Mc
14/5

B

P: 3856-28 & 1st Member
Thro' Secy

(The drafting requires
improvement.)

16.5.27

h
26/5/27.

Draft 7366 Secd
By Please refer the
4 & 3rd pages
after draft before
submn to the Member

Mc
28/5

Typed draft Subd

Draft Secd issue
Thro Fin. Secy.

Mc
1/6

Lee
3/6

Done
Mc
4/6

12493
2/6.

H. Com 445

Draft. and fair are
Subd for approval

Yr. Secretary

Gs
7.6.27

FINANCIAL SECRETARY
8 JUN
No. 2296

Mem Communicated
L
8/6

7.6.27

8.6.27

Communicated in H. Com
445 & 8/6/27

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Cal
1927

NOTE—Contn. Sheet

G. R. S. III—3]

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Re abolition of R[t] Cess in the Kolar Dist

Draft Secret Note ~~[illegible]~~ Permanent Under Sec to Govt in the Question ~~to be~~ Order ~~are about to issue~~

Saw

ad 14/9/27.

Taken
IE 7/6/27

They have been issued

N. B.—Should routine notes be written on small slips the notes must b cipped, or slips pasted on this form.

FORM I.

59072.

63 216-26-2

Memorandum of subjects proposed for discussion in the Budget Session of the Representative Assembly for the Kolar District.
For the Budget Session June 1927.

No: 5.

Subject:-

Abolition of the Railway Cess.

L.59

Name of member proposing the same:-

Mr. V.R.Chikkachannanjappa Setti, Kolar Municipality.

Mr. B. Srinivasa Rao, Bowringpet Taluk.

Mr. Meda Sanjivaiya, Srinivaspur Taluk.

Mr. Bhaskarappa, Do.-

Mr. Vema Reddi, Malur Taluk.

Summary of representation.

It is prayed that the Railway Cess be abolished in the Kolar District. Government promised that this Cess would not be continued for more than ten years.

It is high time that the Kolar District Board Railway should be included in the State Railways and the Railway Cess -- abolished in the Kolar District.

Previous reference:-

Remarks by the Deputy Commissioner:-

Deserves consideration.

G. R. S. III—5]

3°
5-907 L

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Subj. When the question of the abolition of R^s Cess in the Tel Rar Distt was considered along with the question of Showing Concessions to the Distt Bd in its R^s enterprise & it was resolved in Council that the Cess be reduced for a Six to Nine piece if necessary Draft in according to this resolution was put up & submitted to the Hon Sec^y.

Sd 28/5 Orders will issue before the Session begins. The above fact may be placed before the Assembly for info^n

Sd 28/5

12319 28/5

Hon Member

Sec 30/5

N. B.—Should routine notes written on small slips the notes must be pasted, or slips pasted on this form

OFFICE OF THE SECRETARY
2-1463
1. JUN. 1927
REPRESENTATIVE ASSEMBLY AND LEGISLATIVE COUNCIL

T.O R A Sec^t for kind note & return

Sd 1/6

Sec 30/5

D. 1463

G. R. S. III—3]

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Please send 3 copies of the Scott notes for record

8K
2.6.27

Draft Reply Sent
2nd
4/6

N. B.—Should routine notes be written on small slips the notes must be copied, or slips pasted on this form.

Immediate

Do 1233/C.B. Dt 28/11/45

Dear Mr. Gopal Rao,

I shall be much obliged by your kindly sending me a statement showing the amounts paid by the District Board towards the Kolar Destrict Board Railways from time to time, the total amount of Railway Cess realised from the time the Railway Cess was imposed and how the amount has been utilised from time to time, the balance if any to the credit of the Railway Cess Fund & any ~~xxxxx~~ over-draft or other outstandings due to Government or other bodies in connection with these Railways. If it is possible to furnish a complete statement regarding the present financial position and the liabilities of the District Board and the assets from which such liabilities may be met, it may be kindly sent. This information is required in connection with the proposal to come to some final settlement in regard to the District Board Railway. The matter may be kindly treated as urgent and if possible the information may be sent up to me by about 5 days' time.

Any payments and accounts pending to be mentioned

Yours sincerely,

28/11/45

President, Kolar Dt.Board.

Immediate
D.O. 1234/C.B. Dt. 28/11/45.

Dear Mr. Shamanna,

I shall be much obliged if you can kindly furnish a statement showing the total capital expenditure on the Kolar Dt. Board Railways, the amounts contributed respectively by Government and the District Board from time to time, the present liabilities of the Dist. Board in regard to this railway and the assets from which such liabilities are being met. If the Railway Cess has been paid over to the Railway Department, the manner in which it has been adjusted may be kindly indicated. As Government wish to fix definitely the position, the present liabilities of the Dist. Board and any information available on this point would be very helpful. I shall be much obliged if you can send me as complete a note as possible. The matter may be kindly treated as urgent and the note sent up to me within 5 days.

Yours sincerely,

D.O. 20 Sec/ Office of the President, District Board,
25-24

Dated, Kolar, the 23rd November 1925.

Dear Sir,

When I had the pleasure of meeting you last at your residence, on the 11th instant, I made certain proposals -- relating to the improvement in the Kolar District Railway Finances. The one most important among the proposals, you will perhaps remember, was that concerning the transfer of the interests of the District Board to Government. I thank you heatily, for your promise of sympathetic consideration at the hands of Government.

Meantime, on further consideration and consultations, I have come to the conclusion that the following proposal, if accepted, would obviate the necessity of a complete transfer as proposed, but would, on the other hand, provide a remedy, which is at once simpler, speedy and more effective.

I herewith furnish an abstract statement of the Railway Receipts and Expenditure, prepared from the accounts of my Office.

From this it is seen that the Railway accounts of the District Board stand as follows:--

Excess of Expenditure over receipts.	Rs.	4,52,875--14--8
Debenture Loan of 1912 and 1914.	"	4,48,800--0--0
Total Liability.	Rs.	9,01,675--14--8

Total Liability.	Rs.	9,01,675--14--8
Deduct value of 3 Lakhs of Government of India Paper of 3½ % at Rs.65/-.		1,95,000-- 0--0
Balance of Liability.		706,675--14--8.

The proposal I wish to make in order to discharge this liability is simply this.

Out of the average sum of Rs. 70,000/- which is collected by way of Railway Cess every year, Rs. 50,000/- to be invested annually at 5 % for a period of 12 years and limiting the -- liability of District Board to Rs. 20,000/- a year for capital expenditure. At the end of that period the accumulated sum together with interest thereon will be sufficient to meet this liability.

The Government will then be freed from the liability of paying the Guaranteed Interest and the question of the abolitio of Railway Cess may also be considered then.

This proposal is made with a wiew to keep up to the Agreement already entered into and to avoid the depressing effect which may be caused by a transfer of the Boards' share on other Local Bodies undertaking such venture.

I trust this proposal will meet with the approval of the Government and I feel sure it would meet with the approval of the District Board also.

Yours sincerely,

C.R.Gopala Rao

K. C H A N D Y, Esquire,B.A.,
Second Member of Council,
B A N G A L O R E.

D.O.No.20/25-26. Office of the President, District Board,

Kolar District,

Dated,Kolar, the 23rd November 1925.

Dear Sir,

When I had the pleasure of meeting you last at your residence, on the 11th instant, I made certain proposals relating to the improvement in the Kolar District Railway Finances. The one most important among the proposals, you will perhaps remember, was that concerning the transfer of the interests of the District Board to Government. I thank you heartily, for your promise of sympathetic consideration at the hands of Government.

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From this it is seen that the Railway accounts of the District Board stand as follows:--

Excess of Expenditure over receipts.	Rs.	4,52,875--14--8
Debenture Loan of 1912 and 1914.	"	4,48,800-- 0--0
Total Liability.		9,01,675--14--8
Deduct value of 3 Lakhs of Government of India Paper of 3½ % at Rs.65/-.		1,95,000--0-- 0
Balance of liability.		7,06,675--14--8

Theproposal I wish to make in order to discharge this liability is simply this.

Out of the average sum of Rs.70,000/- which is collected by way of Railway cess every year, Rs.50,000/- to be invested annually at 5 % for a period of 12 years and limiting the liability of District Board to Rs.20,000/- a year for capital expenditure. At the end

end of that period the accumulated sum together with interest thereon will be sufficient to meet this liability.

The Government will then be freed from the liability of paying the Guaranteed Interest and the question of the abolition of Railway cess may also be considered then.

This proposal is made with a view to keep up to the Agreement already entered into and to avoid the depressing effect which may be caused by a transfer of the Boards' share on other Local Bodies undertaking such venture.

I trust this proposal will meet with the approval of the Government and I feel sure it would meet with the approval of the District Board also.

Yours sincerely,

Sd. C.B.GOPALA RAO

To

K. CHANDY, ESQUIRE, B.A.,
Second Member of Council,
Bangalore.

"COPY"

C.B. Gopala Rao
President,
District Board, Kolar.

D.O. 21 Encl 2.
25-26

Office of the President, District Board,
Kolar District,

CB 978

Dated, Kolar, the 25th November 1925.

Dear Sir.

As desired in your D.O. No.1232 C.B. dated 20th instant, I am herein enclosing a statement showing the amounts paid by the District Board towards the Kolar District Board Railways from time to time. The statement exhibits also the information re: the Railway Cess realised from the time the Railway Cess was imposed as well as the payments made on account of interest and other -- charges. You find from the statement that there has been an -- expenditure in excess of the receipts to the extent of Rs.4,52,875-14-8-.

I regret that it is not possible within the short period of five days to furnish a complete statement regarding the financial position etc., of the District Board. Taking into consideration both Service and Debt Heads, the balance at the end of Octobe 1925 as per cash account for the month is Rs. - 99,433-8-5. The District Board has invested a sum of Rs. 3,00,000/- in Government of India Securities and at the present market value a sum of -- Rs.1,95,000/- can only be expected back. The deficit balance of the District Board being chiefly due to the payment towards -- Railway Expenditure it has to be made good out of the Railway Cess.

I herewith transmit a copy of my D.O.letter No.20 dated 23.11.1925 for perusal addressed to the 2nd Member of Council suggesting certain proposals relating to the improvement in the Kolar District Board Railway Finances.

Yours sincerely,
C.R.Gopalakar

To P.G.D'S o u z a, Esqr.,B.A.,B.L.,
Chief Secretary to the
Govt.of Mysore, Bangalore.

	RECEIPTS.					EXPENDITURE.				
~~12-13.~~ year.	Railway Cess.	Guaranteed Interest	Refund of share of capital outlay.	Interest on Investment.	T o t a l	Interest paid on Debenture Loan	Interest on Overdrawals.	Half the share of capital Outlay paid.	Working charges etc. in the Mgt.Board Office.	T o t a l.
12-13.	..	..	..	18362-0-0	18362-0-0	12344-0-0	..	..	..	12344-0-0
13-14.	..	..	..	5101-0-0	5101-0-0	14870-0-0	..	..	..	14870-0-0
14-15.	47922-0-0	..	..	10201-0-0	58123-0-0	14105-0-0	..	..	..	14105-0-0
~~15~~-16.	52901-12-5	..	..	10010-0-0	62911-0-0	19328-0-0	..	..	901-9-2	20229-9-2
16-17.	61052- 7-0	..	..	4418-9-10	65471-1-10	17706-0-0	..	924009-0-0	824-15-8	9, 42539-15-8
17-18.	52844-~~13~~-9	..	..	5400-8-6	58245-6-3	62-0-0	18993/.	.	708-14-1	19763-14-1
18-19.	51800-8-4	..	..	11455-6-10	63255-15-2	62-0-0	..	.	621-14-0	683-14-0
19-20.	86797-0-0	..	..	9819-0-0	96616-0-0	72-0-0	..	.	594-0-0	666-0-0
20-21.	84443-0-0	..	..	9819-0-0	94262-0-0	49268-6-6	..	.	1072-0-0	50340-6-6
21-22.	86388-4-5	..	..	9710-~~8~~-15-0	96099-3-5	33369-1-10	..	.	925-11-4	34294-13-2
22-23.	89544-11-11	110038/-	..	9909-6-0	209492-1-11	18785-9-11	..	169060-0-0	..	1,87845-9-11
23.24.	96081-0-0	17952/-	3169-0-3	9489-6-0	126691-6-3	17780-4-2	..	187925-12-10	..	2,05706-1-0
24-25.	80868-0-5	..	11849-12-2	9489-6-0	102207-2-7	13805-2-8	9830/-	1898-2-4	..	25533-5-0
25-26.	18478-4-9	..	..	4744-11-0	232225-15-9	3512-6-0	..	502-0-7	..	4014-6-7
Upto the end of October 25.										
Total.	8,09,121-14-10	1,27,990-0-0;	15,018-12-5;	1,27,939-5-2 ;	10,80,061-0-5	2, 15,069-15-1 ;	28,823-0-0 ;	12, 83,394-15-9 ;	5,649-0-3 ;	15, 32, 936-15-1

C Gopalakrishna

President,
District Board, Kolar

Mysore Railways.

Office of the A u d i t o r,
Exhibition Buildings, M y s o r e,
dated the 25th November 1925.

D.O.No.B.B. 2529

Enc.2.

Dear Mr.D'Souza.,

With reference to your D.O.No.1234/C.B. dated 20th November 1925 asking for a note on the financial position of the Kolar District Board Railway, I beg to send herewith, a note giving the information available in this office. I may state that I have no information here about the general financial condition of the Board, its liabilities, what amount of Railway cess it collects per year, under what head it is booked by the Comptroller, and from what source it has paid the Railway Capital Expenditure which has fallen to its share. On these points information would be available in the Comptroller's office. My note therefore covers only the Railway portion and I hope it gives you all the information required for arriving at a decision. The Registers of this office do not show the Capital Expenditure by sections and this information is therefore not available.

Yours sincerely,

V. Ramanna

To

P. G. D'Souza, Esqr., B.A., B.L.,
Chief Secretary to the Government of
His Highness the Maharaja of M y s o r e,
B a n g a l o r e.

cks.

Note on the Financial position of the Kolar District-Board Railway.

1. A statement showing the financial position of the Kolar District Railway both Capital and Revenue is put up. According to the agreement one half of the Capital -- Expenditure is payable by the Board and the other half by Government. The District Board has raised by means of debentures Rs.4,48,000/- and is also collecting Railway Cess which must have amounted at the end of 1924-25 to about eight or nine lakhs and was Rs.89,545 in 22-23 and Rs.96,081/ in 23-24. The total Capital Expenditure up-to-date to end o September 1925 is Rs.24,87,716, out of which the District-Board's share is Rs.12,43,858/- against which the District-Board has paid Rs.12,68,376/- i.e. about Rs.24,000/- more. This payment has been made in cash with the exception of Rs.1,10,038/- being the guaranteed interest on the debenture loan payable to the District Board by Government to end of 1921-22 which was adjusted in this office in favour of the Board in accordance with G.O.No.L.7456-58/L.B.76-19-7 dated 12-5-'25. The statement shows that the Open Line Capital - Expenditure per annum payable by the District Board during last 8 years has exceeded Rs.32,000/- only in two years and has been very much less than this amount during 4 years and gives an average of about Rs.40,000/- per annum durin these 8 years. There was heavy outlay in 1922-23 on accou of the purchase of engines and in 1919-1920 on account of - - construction of carriages and wagons. From the trend of the figures it looks as if a provision of Rs.30,000/- to - - Rs.40,000/- per annum for Open Line Capital Expenditure wil be sufficient for the future. This amount could be made -- available from the annual cess receipts leaving about -- Rs.50,000/- to Rs.60,000/- per annum for forming a sinking fund for the debenture loan which does not seem to have bee started yet. If the net earnings yield a return to the Dt. Board for the capital invested such amounts would also be available for Open Line Capital Expenditure. In the curre years

got or-

Budget the amount provided for Open Line Capital Expenditure is Rs.84,000/- out of which the District Board's share would be Rs.42,000/-. But, this is a comparatively large figure, because it provides for purchase of new Engines and Rolling stock which is not likely to be repeated in future years. It may thus be stated that the position of the District Board to-day is that it has financed the Railway from its debenture and Railway Cess Receipts without encroaching on its ordinary income and can continue to do so in future, and its contributing to Capital Expenditure from ordinary revenue ~~is~~ in the past was a temporary phase due to the fact that the outlay on construction was heavy during the first few years while the accumulation of the cess receipts was gradual.

2. As regards the Revenue results, the statement shows that the Railway ~~that the Railway~~ has earned a net income varying from Rs.24,000/- to Rs.58,000/-, during the last six years or on an average of Rs.35,000/- per annum. This means that though the net income falls short of 4 per cent interest on total Capital outlay which is about Rs. one lakh per annum, it is more than the guaranteed interest payable to the debenture holders which comes to about Rs.18,000/- per annum. The District Board is entitled to some return on its Capital, though it might be small, when the net earnings amount to more than the guaranteed interest of about Rs.18000 plus any amount which may be required to be set apart for reserve funds in accordance with clause 11 of the agreement. When the net Earnings amount to more than Rs.1,00,000 plus the amount which might be set aside for the reserve fund, the District Board will get 4% interest on the remaining Capital of about Rs.7,95,000/- which ~~is as~~ has contributed. Even in case the Railway does not get any net earnings, the guaranteed interest to the debenture holders is paid by Government and the District Board need not pay anything out of its revenues for Revenue Expenditure. It will thus be seen that though the District Board may not get a sufficient return on the Capital invested by it, the Revenue Expenditure of the Railway does not affect ~~the~~ the Budget proper.

3. The financial position of the District Board will be much improved and its complaint against the Railway will be lessened when (i) the excess Capital contributed by it

of about Rs.24,000/- is repaid to it. About this repayment I am seeking orders separately.

(ii). The guaranteed interest relating to the years 1923-24 and 24-25 which are held under deposits in this office and amount to Rs.35,000/- is paid to it. I was awaiting a reply from the District Board in this matter. On receipt of the reply from the District Board, the amount will be paid.

(iii). When the amount of contribution for Reserve funds to be paid by the District Board is fixed and the balance of net earnings left over after paying the guaranteed interest and the contribution of Reserve fund is paid to the District Board. The net earnings amount to Rs ~~20~~ 38,000 per annum on the average and to Rs.58,000/- last year and deducting therefrom Rs.18,000/- which is the guaranteed interest, there is an an average a sum of Rs 20,000/- ~~Rs~~. per annum or Rs. 40,000 during last year available for (a) the contribution to Reserve Fund and (b) the interest payable on the Capital invested by Governmentand the District Board. A reference has been made to the Agent by this office for obtaining orders in regard to the amount to be set apart for the Reserve Fund.

4. In conclusion it may be said that (i) neither the Capital nor the Revenue Expenditure of the Railway need affect the ordinary finances of the District Board either at present or in the future. (ii), the Financial position of the District Board would be eased by its receiving some amounts which it is now to get from Government and (iii) that infuture it may expect a return for the Capital invested on the Railway which though small to beging with may be expected to increase progressively as the Traffic of the Section improves which improvement is only a question of time.

V. Shamanna
Auditor, Mysore Railways.
26.11.21.

3. Railway Construction.

The Kolar District Board was the pioneer Local body in the State to venture upon a new Railway policy; and it is more than 14 years ago that the proposals of the District Board to connect the Head Quarter town of Kolar with Bowringpet, were met with generous approval and support from Government. The resources of the District Board were too meagre for an undertaking of this magnitude. In addition to the many substantial concessions offered, Government also -- authorised the District Board

a) to raise a debenture loan of 4 Lakhs to meet the estimated cost of construction.

b) to levy a railway cess of 6 pies in the rupee to form a sinking fund, to pay off the loan raised etc.,

Agreeably to their Railway policy the Government further undertook to bear the loss of interest by guaranteeing interest on the capital loan. Before the construction of the line was completed Government had decided to extend the line from Kolar to Chickballapur via Chintamani with a view to complete the loop from Bowringpet to Bangalore. With their poor finances it was unthinkable on the part of the District Board to undertake this huge experiment. Under the proposals for working the larger scheme to success the original financial arrangements had to be disturbed. By mutual agreement the Government and the District Board became equal partners and joint proprietors of the line from Bowringpet to Chickballapur. The District Board was authorised to raise a further loan of 4 lakhs making a total of 8 lakhs, being the half share of the estimated total cost of the entire line. The Government on its part agreed to bear the loss of interest on the entire capital loan at 4 %.

4 7.

All other concessions are of general application and are embodied in the Government order No.Fl.493-81 F.P.163-13-1 dated 22nd April 1914, which forms also the basis for the final agreement concluded on 1st December 192(between the Kolar District Board and Mysore Government.

In these circumstances, the Kolar District Board Railway was constructed under Government guarantee and the entire line was open for all kinds of traffic on the following dates.

Bowringpet to Kolar -- Dec.1914.
Kolar to Chickballapur.Nov.1917.

4. Capital Account. The estimated cost of the Kolar-Bowringpet section was Rs. 3,43,91(and that of Kolar Chickballapur section Rs.14,90,384 and out of the total of Rs.18,34,294 the District Board agreed to bear half the cost Viz., 9,17,147/-.

According to the Capital and Revenue accounts for the year ending 30th June 1925 the capital expenditure on capital account has been Rs. 24,87,038 i,e,Rs. 6,52,744 more than the estimated amount. So far, as I am aware, this extra expenditure appears to have been incurred without a prior consultation of the District Board; nor does the Board seem t have given its consent thereto Uptill now, the Board has not been furnished with a detailed accou of amounts charged as capital expenditure to the District Board.

In the year 1914-1915 a sum of Rs. 2,99,4(4 has been debited towards the share of the District Board while the actual expenditu for the year is Rs.1,47,743 as per auditors' report. The excess of Rs.1,51,661 recovered from the District Board has neither been refunded nor accounted for till now.

Upto the end of 1921-22 no bill or demand of any kind was ma of the District Board for capital outlay. The practice was that the Comptroller instructed the local Treasury to debit certain

amou

amounts, without even intimating the District Board office, and the amount was debited in the District Board pass book. From 1922-23 however bills have been sent to the District Board which have all been paid in due time.

If the amounts charged as capital expenditure to the District Board and the amounts for which details are not available, but debited in lump sum are taken into account, the percentage of the net-earnings would be less and the guaranteed interest due to the Board will correspondingly increase.

Statement I annexed hereto shows the capital outlay and the interest due thereon to the District Board. It has not been found possible to claim a refund of the exact amount received in excess from the District Board on capital expenditure.

The auditors say in the report that a sum of Rs.22,981 have to be refunded to the District Board on capital expenditure. This sum or any larger sum that may be found due may kindly be ordered to be refunded at an early date.

It is necessary for me to state here that the heavy additional expenditure of more than 6 lakhs, over and above the estimated cost and the mode of debiting expenditure the District Board have in the words of the present Jat Councildor, " other progressive work has been held up or retarded in that District ".

5. Interest on overdrawals.

In their report the accountants state that a sum of Rs.85,540-2-2 is due by the District Board to Government on account of interest on overdrafts. The attention of the Board to the financial orders on the subject, if any, is not invited.

The only provision as regards the liability of the District Board to pay interest is to be found in para 6 of the Agreement which runs as follows:—

follows:--

" All work that may be considered to be necessary for the safety of the public or the efficient working of the line shall be carried out by the Government, the District Board and the Government providing in moieties the funds necessary for the expenditure chargeable to capital on this account. In the event of the District Board failing to provid within a period ef considered reasonable by the Government, their share of any additional capital for work required under this condition the Government shall be at liberty to supply the necessary funds and to carry out the works and shall be entitled to receive from the share of the surplus profits payable to the District Board the amount advanced for such purpose with interest at 4 %. "

As no surplus profits have yet been earned by the concern the demand either for advances made or for interest thereon is pre-mature. In this view of the matter the sum of Rs.28,823 recovered as interest is irregular and opposed to the Agreement and may therefore be kindly ordered to be refunded. If however the Government still think that the Board is liable to pay -- interest it stands to reason that the Board is entitled to -- interest on the following items:-

a) Guaranteed interest due but withheld till 1922-23.

b) Half the share of profits earned but not paid up-to-date.

c) Excess of capital expenditure recovered from the Board and still due.

Elsewhere, I have already shown that the Board was never called upon to provide additional expenditure and the Board never -- pleaded inability to do so.

It stands to reason, therefore that the question of interest may be dropped altogether by Government

6. Guaranteed Interest.

In pursuance of the policy of the Government to encourage local enterprise and local capital for construction of Railways the financial order dated 22nd April 1914 was passed.

passed.

Para 2 of the order says,

> " Whenever a District Board, a private Company or any other body offers to raise capital for constructing a new feeder railway, the Government may, after such enquiry as they deem fit guarantee the payment of interest on such -- capital at 4 per cent for a period not exceeding 50 years ".

Para 4 says

> " If any line guaranteed under rule 2 works at a loss that is payr less than 4 % per annum, an amount sufficient to raise the return to 4 % on the whole capital will be paid from State funds."

These provisions and the circumstances that led to the -- Agreement of 1st Dec,.1928 warrant a liberal and generous interpretation favourable only to the District Board. The Government have undertaken to guarantee interest on the loan to be raised to meet the District Board's share up to the extent of 8 lakhs at 4 %, - - - - -

Under clause 3(a) of the Agreement.

The District Board was able to raise a loan of Rs.4,48,8(and the balance of the amount has been met by utilising the surplus balance of the Board, the Railway-cess and over-drafts. The Board has been substantially complied with the conditions necessary to entitle them for the payment of guaranteed interest at least on the 8 lakhs agreed upon by Government. But if the District Board is required to pay interest on the over-draft, Government have to fulfill their obligation arising under para 2 of the order dated 22nd April 1914 to pay interest on the total amount of capital outlay Viz., Rs.12,65,998 contributed by the Board. The claim of the Board for guaranteed interest at 4 % on the entire capital made available or at least on 8 lakhs of loan authorised by Government receives additional support from the following circumstances.

Circumstances.

a) a large sum of Rs. 3 lakhs and odd over and above the estimate has been debited to the Boards' account without its consent or prior knowledge.

b) If the Board had been permitted to invest their Railway cess and their surplus balances in the Savings Bank they would have been earning interest at 5 %.

In these circumstances, I cannot too strongly impress on the consideration of Government the great need for a generous and liberal interpretation of the provisions of the Rules and Agreement relating to the claims of the Board for the balance of guaranteed interest on the total amount of 8 lakhs of loan -- authorised by Government.

The interpretation of the term " Guaranteed Interest " given by the accountants is too narrow to merit any serious consideration.

7. Apportionment of Expenditure.

As regards the apportionment of expenditure, the Board do not consider any change is necessary; but would have the remuneration paid to the Chairmen of the Bangalore-Chickballapur Railway Board and the running power expenses being excluded from the expenses of the District Board share as these two items relate exclusively to Bangalore-Chickballapur Railway. They would also urge the expenditure being limited annually to 60 per cent of the gross earnings and the amount of capital outlay for their share to 13 lakhs to enable them to abolish the Railway cess at an early date.

8. Claim of the Board.

Summarised, the claim of the Board is for the following sums:--

1. Rs. 1,53,43% debited in excess but not accounted for. From information furnished in the Auditors' Revenue and Capital account it is seen that this sum has been utilised for expenditure as excluding this sum, the Board's share would not have been discharged.

	Rs.
2. Half the share of net earnings.	1,46,032
3. Guaranteed interest on 4,48,800 as per Agreement.	1,29,860
4r,-do- on 8 lakhs promised to be raised.	2,52,000
or -do- on the Boards' share of capital expenditure which would be about.	3,50,000
4. Refund of/capital expenditure.	~~24,355~~ 22,981
5. Refund of interest recovered.	28,823

The minimum claim of the Board would be for half the net earnings of Rs.1,46,032, Guaranteed interest on.4,48,800 as per agreement of Rs.1,29,860 and refund of capital not utilised i,e, Rs.24,355 as per statements I and II.

9. The Board desire that the sum of Rs.1,99,706 may kindly be ordered to be credited to the Board at as early a date as practicable as they are entitled to the minimum claim as per agreement and the Rules which form the basis thereof and they have been kept from getting them so long.

The minimum claim of the Board would be

Half the net earnings.	1,46,032
Guaranteed interest on 4,48,800.	1,29,860
Refund of excess capital recovered.	22,981
Refund of interest recovered.	28,823
Total. Rs.	3,27,696
Less Guaranteed interest received.	1,27,990
	1,99,706

Statements I and II annexed herewith explain these claims.

10. It is hoped that the Government will be pleased to examine the entire question of capital outlay and guaranteed interest and -- refunds in the light of the observations above and arrive at an early decision with a view to place the finances of the District Board on a sound and satisfactory basis to enable the new Board that will come into -- existence on 1st February 1927 to carry on the development work expected of them under the District Boards' Regulation of 1926.

P.t.o

STATEMENT. I.

Year.	Boards' share of Capital outlay. (₱)	Boards' share of Net Earnings.	Percentage	Deficit to make up 4 per cent. Interest on ₱.48,800 calculated at the deficit rate to be borne from State	
1913-14.	3,04,391	- 127	...	4	12,172
1914-15.	4,52,134	3,432	¾	3¼	14,486
1915-16.	6,01,839	12,036	2	2	8,976
1916-17.	7,68,711	2,213	3/1o	3 7/1o	16,605
1917-18.	7,68,711	18,026	2 3/1o	1 7/1o	7,629
1918-19.	7,68,711	-2,722	..	4	17,952
1919-20.	7,68,711	23,632	3	1	4,488
1920-21.	7,68,711	16,682	2 1/1o	1 9/1o	8,527
1921-22.	7,68,711	11,837	1½	2½	11,220
1922-23.	9,37,771	17,622	2	2	8, 976
1923-24.	11,25,697	14,1[illegible]	1 1/5	2 4/5	12,546
1924-[illegible].	11,27,595	29,299	2 3/5	1 2/5	6,283
Total.	11,27,595	1,46,032 (a)			1,29,860 (b) 2,

Add (a) & (b) = 2,75,892
Deduct guaranteed interest received to the end of 24-25. 1,27,990
1,47,902

Add (a) & (c) 3,9[illegible]
Deduct guaranteed interest received up-to 24-25. 1,2[illegible]
Balance. 2,7[illegible]

(₱)
Only the amounts for which details were furnished and debited office accounts are noted here. If the sum of Rs.1,53,422 d lumpsum in 1914-1915 is also taken into account the percentag net earnings would be less and the guaranteed interest due wi little more.

PRESIDENT,
[illegible] BOARD

Statement showing the amounts due to the District Board on account of Railway.

Year.	Capital outlay as debited in the District Board accounts.	Capital outlay for which details have been furnished.	Loss amount refunded.	Net amount paid by the Board,	Boards share of capital outlay as per Ry. Authorities to end of 30.6.
1913-14.	3,(8,028	3,(4,391	..	..	
1914-15.	2,99,404	1,47,743			
1915-16.	1,49,705	1,49,705			
1916-17.	1,66,872	1,66,872			
1917-18.	...	...			
1918-19.	...	....			
1919-20.	...	....			
1920-21.	...	...			
1921-22.	..	...			
1922-23.	1,69,(6(	1,69,(6(			
1923-24.	1,87,926	1,87,926			
1924-25.	1,898	1,898.			
Total.	12,82,893	11,27,595	15019	1267874	124

[illegible] DISTRICT

PROCEEDINGS OF THE KOLAR DISTRICT BOARD MEETING

HELD ON THE..... 2nd October 1 9 3 6

XX XX XX

No.

(a) Audit report on the railway accounts of the District Board and Office Note thereon.

(b) Note on allocation of Railway expenditure.

Resolution :

(a) Resolved that the report be forwarded to Government with a letter on the lines suggested in the note.

(b) Recorded.

XX XX XX

"EXTRACT"

C Gopala Rao

PRESIDENT,
District Board, Kolar.

C. O. 42. Gl. 44723

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. 411. Rys. Enc 2.

Bangalore, Dated 5th February 1927

FROM

S. SHAMANNA, ESQ., B.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
BANGALORE.

GEN. & REV. SECTT. BR 7 FEB. 1927 G. D. SECTION.

379 42 8 27

To

Nagappa, Esq., Bar-at-law
Local and Legislative Secretary to Govt.,
B a n g a l o r e.

LB 114-24-57

SIR,

With reference to correspondence ending with your letter No. L 429 dated the 19th July 1926 asking me to forward a correct statement of the assets and liabilities of the Kolar District Board as it stood on 1st July 1925, I have the honor to forward herewith the statement together with a short note of the Assistant Comptroller in charge of L.A.D.

2. The Statement is prepared on a cash basis and does not show the share of net earnings or balance of guaranteed interest still due to the Board and the amount of interest that may be payable by the Board on its overdrawals. This information is given in the reply to Government which I am sending today separately as letter No L.2900 / L.B. 114-24-56 dated 3-11-26 from Government in which my remarks have been called for in regard to the observations of the District Board President, Kolar on the report of the special auditors who audited the Railway accounts of the District Board.

I have the honor to be,
Sir,
Your most obedient servant,

S. Shamanna
Comptroller.

Kolar District Board.

Statement showing the District Fund Balance and the Railway Transactions of the District Board as they stood on 1st July 1925.

Serial No.	Particulars.	Amount. Rs.	Serial No.	Particulars	Amount Rs.	Remarks.
1.	Cash in Govt. Treasury	-1,17,641-6-3	1.	Service Head Balance.	2,19,269-12-10 ~~2,10,269-12-0~~	
2.	Advances Recoverable	3,659-3-10	2.	Drinking Water wells Fund	~~3,341-5-1~~ 3,341.5-1	(- 3134.1.5-1)
3.	Capital outlay as per Railway Accounts Rs.12,81,803-0-8 Less Refunds ~~15,019-0-3~~	12,66,784-0-5	3.	Deposits	1,904- 8-4	
4.	Interest paid on Debentures	2,15,291-6-0	4.	Debenture Loan	4,48,800- 0-0	
5.	Interest on Govt. of India Securities	2,90,317-10-2	5.	Interest realised on the ~~3½~~ % Govt. of India Securities	1,32,665-5- 7	
6.	Interest paid on overdrawals	28,760-15-8	6.	Guaranteed interest received from Auditor Railways	1,27,990- 0-0	
	Inauguration charges	1,910- 4-5	7.	Railway Cess Collections	7,93,989-2-10	
	Establishment charges.	4,195- 6-3				
	Total	16,93,277-8- 6			16,93,277-8- 6	

Deputy Comptroller
for Assistant Comptroller, L.A.D.

A statement showing the position of the Kolar District Board in consequence of the Railway undertaking as it stood on 1st July 1925 is herewith enclosed.

As some differences were not correctly traced by the Special Auditors, the figures were scrutinised by me with reference to Railway Schedules and the District Board Accounts reviewed by this office from 1912-13 to 1916-17.

In the statement the Capital Outlay contributed by the District Board is taken as Rs12,66,784-0-5, while that shown in the published Capital and Revenue Accounts of the Mysore Railways for the year ending 30th June 1925 is Rs12,43,519. The difference is accounted for as shown below:-

Capital Outlay as taken in the statement	Rs12,66,784
Refund in 1924-25 as shown in the published accounts but not yet effected in the accounts of the District Board.	24,358
	Rs12,42,426
As per published accounts	Rs12,43,519
Published accounts more by	1,093

This difference was traced to relate to the accounts for June 1914. Steps will be taken to ascertain the cause of difference in communication with the Auditor, Mysore Railways, and necessary adjustments made.

Dy
Assistant Comptroller.
(for Asstt Comptr
R. A. D)

C. O. 42. Gl. **44720**

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. 412. Rys. Revs. 5.

Bangalore, Dated 5th February 192 7

FROM

S. SHAMANNA, ESQ., B.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
BANGALORE.

GEN. & REV. SECTT. FR 7 FEB. 1927 TO G. D. SECTION.

REVENUE 8. FEB 1927 3795

LB 114-24-58

TO

B. Nagappa, Esq., Bar-at-law.,
Secretary to the Government of Mysore,
Local and Legislative Departments, Bangalore.

SIR,

With reference to your No. L 2900/L.B.114-24-56 dated 3rd November 1926, calling for my remarks on the observations of the President, District Board, Kolar, on the report of the special Accountants deputed to verify Railway transactions of the Kolar District Board, I have the honor to send herewith a copy of the Railway Auditor's No. B.B.1011/3233 dated 10th December 1926 together with its enclosures in which he traverses all the several points raised by the District Board President in detail. I agree with what he states excepting on one point viz., in regard to the amount on which guaranteed interest is to be paid by Government. The District Board raised a loan of ~~Rs 4,48,800/-~~ Rs 4,48,800/- for the specific purpose of constructing the Railway with a 4% guarantee thereon by Government and all along it has not been regarded that the Government guarantee extends only to that portion of the loan which was actually expended on Railway construction ignoring the investment of Rs 2,90,318/- in Government of India paper. On this assumption amount due to the Board was calculated and adjusted in favour of the District Board Vide G.O. No. L.7456-58 dated 12th May 1923. The Auditor, Mysore Railways interprets the G.O.No. Fl.2762/G. 71-26-2 dated 29th September 1926 as meaning that the guaranteed - - interest is due only on the uninvested balance of Rs 1,58,482/- with the result that the account shows a large sum as having been overpaid

to the District Board and as recoverable from it.

2. When it is proposed that interest should be levied on the amount overdrawn by the District Board from time to time (Vide para. 13 of the Accountant-General's letter) it is all the same to Government whether the investment in Government paper which has led to this overdraft is effected from the Railway Debenture amount or the general balance of the District Board and if it is regarded as having been made from the general balance the District Board would be entitled to guaranteed interest on the full amount of the Debenture Loan so long as its share of the Capital outlay exceeds this figure.

3. If this point is decided by Government the net amount of interest demandable from the District Board will have to be recalculated.

I have the honor to be,
Sir,
Your most obedient servant,

Ar Raghavachi

For Comptroller.

Letter No. B.B. 1011/3233 dated 9/10th December 1926
from the Auditor, Mysore Railways, Mysore, to the
Comptroller in Mysore, Bangalore.

With reference to your letter No. 222/L.A.D. dated 9th November 1926 forwarding, for my remarks, a copy of letter No. L. 2900/L.B. 114-24-56 dated 3rd November 1926 from the President, Kolar District Board, to the Secretary to Government, Local and Legislative Departments in connection with the Joint Report of the Accountants deputed for verifying Railway transactions of the Kolar District Board, I have the honor to forward herewith, my remarks on the different points referred to by the Kolar District Board together with a copy of the - - agreement.

2. Copies of the marginally noted Government Orders etc., referred to in the attached note are also enclosed for information

1. G.O.No. L.7336/L.B.152-252 dated 8-6-26
2. Letter No. O.C.234/26-27 dated 15-11-26 from the President, Kolar District Board to the Auditor, Mysore Railways.
3. G.O.No. 1248-53/Ry.F. 59-13-14 dated 6-4-1914

Copy

D. Lr. Singaravelu Chetty.

Superintendent,
Comptroller's Office.

Auditor's remarks on the points raised by the President, Kolar District Board, in his letter No.L.2900/L.B.114-24-56 dated 3-11-1926 to the Secretary to Government, Local and Legislative Departments.

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1. Para. 2 of President's letter.

On further correspondence the President has stated in his letter No. H.C. 63/25-26 dated 17-11-1926 that the sum of Rs 8,12,545-6-6 referred to in this para is an error and that the amount for which particulars have not been furnished by the Accountants is Rs 1,53,421-11-2. This amount, it is stated in Accountants' report, represents the difference between the closing balance for 1914-15 and the opening balance for 1915-16 in the District Board accounts as corrected by the Comptroller. This may, if necessary, be verified further in the Comptroller's Office. It evidently represents a portion of the Railway Capital expenditure payable by the District Board to end of 1914-15 as, without it, the Board's share of one half of the total Capital Expenditure to end of 1916-17 viz. Rs 9.24,009/- as mentioned in G.O. No. L. 7456-58/L.B. 76-19-7 dated 12-5-1923 could not have been taken as discharged.

2. Para. 3 of the President's letter.

In this connection, kind reference is invited to the following Government orders on the subject -

1. G.O.No. Fl. 4932-21/G.F.163-13-1 dated 22-4-1914 regarding concessions to promoters of Light Railways in the State.

2. (For copy please see pages 134 to 137 of the Mysore Railway Code, Vol.I.)

2. G.O. No. Fl. 2762/G.F.71-26-2 dated 29-9-1926 regarding the interpretation of clause 3 (a) of the agreement of K.D. Railway, in accordance with which, Guaranteed Interest is payable on the portion of the loan actually spent on construction. Out of the loan of Rs 8,00,000/- authorised by Government only a sum of Rs 4,48,800/- was raised by the Board, of which only Rs 1,58,482 was spent on Construction the balance of Rs 2,90,318/- being invested in the 3½ per cent securities.

3. The two sections of K. D. Railway viz., Bowringpet-Kolar

and Kolar-Chickballapur were opened for Traffic from 15th December 1913 and 8-11-1916 respectively, and not from December 1914 and November 1917 as - - stated ~~xhm~~ by the President. The Government guarantee therefore, commences only from 15-12-1913 and 8-11-1916 respectively, in respecttofthe debenture amounts spent on the respective Sections.

4. Para. 4 of the President's letter

Sub Para (1)

The figures mentioned by the President are correct.

5. Sub Para 2.

The agreement does not provide for prior consultation with the District Board for expenditure to be incurred on the Railway. In accordance with the clauses 6 and 7 (a) of the agreement, Government is authorised to incur any expenditure considered necessary for the safety of the -- Public and the efficient working of the line. This fact has also been pointed out to the President in G.O. No. L. 7336/L.B. 152-25-2 dated 8-6-1926 (~~copy enclosed~~).

6. As regards the detailed account of amounts charged as Capital Expenditure to the Board, particulars under different heads of account are contained in the annual Capital and Revenue Accounts (Vide pages 2, 3, 4 and 5) copies of which have been supplied to the President from time to time. Similar particulars as well as outlay by works are of late being furnished in the monthly bills sent to the Board for its share of outlay as required in G.O. No. L 7336/L.B. 152-25-2 dated 8-6-1926 referred to above. This was pointed out to the President in this office letter No. 898/2614 dated 12-11-1926 and it is stated by him in his letter No. O.C.234/26-27 dated 15-11-26 (copy enclosed) that no more particulars are needed

by him.

Sub Para. (3)

This is not correct. The actual expenditure in 1914-15 was Rs 9,05,747/- and the amount debited to the Board by the Comptroller in that year was Rs 1,47,743/- as shown in the statement on page 7 of the Accountants' Report. It is not known how Rs 1,47,743/- has been taken by the President as the outlay in 1914-15. The question of refund of Rs 1,51,661/- does not, therefore arise.

8. Sub Para. 4

The District Board's share of Capital Outlay was being booked in the Railway accounts "Under 9 Local Funds (b) District Funds, Kolar." The procedure followed by the Comptroller for recovering the amounts from the Board is not known to this office. From 1922-23, however, bills are sent to the District Board by this office and the amounts recovered in cash as per instructions issued in G.O. No.L. 7456-58/L.B. 76-19-7 dated the 12th May 1923.

9. Sub Paras 5 & 6

The statements prepared by the President are defective in the following respects :-

(i) The sum of Rs 1,53,421-11-2 debited to the Board as part of its share of outlay in 1914-15 mentioned in para.1 above has not been included in the amounts shown as the Board's contribution in Column 2 of statement 1 of the Board. Further, the amounts refunded to the Board in ~~1912~~ 1923-24 and 1924-25 viz. Rs 15,009/- as shown in Column 4 of Statement II have not been taken as reduction of the Board's contribution in the respective years.

(ii) The Board's claim for one half of the net earnings in the different years instead of for a proportionate share which its capital contributions bear to the total capital cost of the Railway is not in order, as the Board had not contributed one half of the total capital cost at the end of the respective years.

(iii) The claim for guaranteed interest in addition to a share in the net earnings in the different years is irregular. As the net earnings are insufficient to meet the interest on Capital cost provided by Government and the District Board at 4 per cent, there are no surplus profits in which the District Board can have a share. The maximum amount, therefore, which the Board can expect in a year is (in terms of clauses 3 (a) and 9 (c)) either the guaranteed interest on the debenture amount of Rs 1,58,482/- spent on construction or a proportionate share in the Net Earnings as explained in (ii above which ever is higher.

(iv) A sum of Rs 3,286-12-1 paid to the District Board in 1914-15 as " Rebate on working expenditure" as per G.O. No.1248-53/Ry.F. 59-13-14 dated 6-4-1914 has not been taken into account in arriving at the Balance due to the Board, nor is the deficit in the gross receipts of one year taken as the liability against the receipts of the following year in terms of clause 9 (b) of the agreement.

10. As regards the amounts payable to the Board, in terms of the agreement and G.O. No. Fl.2762/G.F. 71-26-2 dated 29th September 1926, a separate statement -A- is put up. The amounts payable in each of the years are shown in Column 14 and those already paid in Columns 15 and 16. It may be

seen therefrom that the amounts paid are Rs 1,67,181/- against Rs 1,53,030 due and that the difference of Rs 14,151/- paid in excess has to be refunded by the Board.

11. Sub Para. 7

As a result of certain write-backs effected in the accounts for 1924-25 in the Railway Books, a sum of Rs 24,860/- became payable to the District Board, against certain amounts due by it on account of its share of outlay in 1925-26, as proposed by the President. and it has since been adjusted in favour of the Board

12. Para. 5 of the President's letter

Demands for advances and for interest on Overdrawals.

(i) The demand for advances made by Government on account of Capital Expenditure is in order as per clause 9 (A) of the agreement which runs as follows :-

" Notwithstanding clause 9(g) above, the District Board shall repay the amounts advanced to it by Government under clause 3 (b) and 6 Supra from the realisations from the Railway Cess or other funds of the Board when Government consider it fit to require such repayments."

13. (ii) It may, therefore, be seen that though no surplus profits have yet been earned by the concern, the Board is liable to pay the advances made by Government from the Railway Cess or other funds of the Board. As regards the propriety of charging interest on overdrawals, I am to state that the amounts taken as Board's contribution in the years from 1913-14 to 1921-22 had not been actually paid by it in full, in the respective years but they represent the debits raised by the Comptroller on account of the Board's share of capital expenditure. The Board had not sufficient funds from which it could pay the amounts as it had a

minus balance in the Treasury (all District Board Revenues included) - vide Statement of overdrawals on page 8 of the Accountants' Report. Hence, these amounts cannot be taken as Board's contributions for purposes of - - Division of net earnings etc., unless interest is charged on the overdrawals. As regards the authority for charging interest on the overdrawals, kind reference is invited to G.O. No. L. 7456-58/L.B. 76-19-7 dated 12-5-1923 in which it has been ordered, that interest on overdrawals should be paid by the Board for the periods subsequent to June 1917, as it was understood at the time, that the -- District Board had discharged all the Railway dues to end of that period as mentioned in the Government Order. But, it is seen from the statement of overdrawals prepared by the Accountants that the District Board had not - - completely paid the amounts of interest on the overdrawals to end of June 1917, the amount paid being only Rs 18,931/- against Rs 46,903/- due to end of June 1917 (vide details in the margin). The balance of Rs 27,972/- due to end of June 1917 as also the sum of Rs 57,568/- due for the - - subsequent periods (Vide marginal particulars) or Rs 85,540/- on the whole, has to be paid by the Board as stated in the Accountants' Report. If, however, interest has to be - - allowed to the Board, on the amounts overdue to it on - - account of its share of net earnings in the different -- years as claimed by the Board, a sum of Rs 10,032/- has to be set off on this account (vide statement B for details) and the balance of Rs 75,508 has to be paid by the Board.

*Vide margin on page 7

14. (iii) As regards the District Board's contention that (i) "the Board was never called upon to provide additional

expenditure and the Board never pleaded inability to do so " as stated in this para. of the President's letter and that (ii)" a large sum of Rs 3 lakhs and odd over and above the estimate has been debited to the Board's account without its consent or prior knowledge" and (iii) " if the Board has been permitted to invest the Railway cess and their surplus balances in the Savings Bank, they would have been earning interest at 5 per cent.", as stated in para.6 of the President' letter, I am to state that, even if the Board had been called upon to provide for additional expenditure or allowed to invest its Railway cess and other - - balances in the Savings Bank, it had no funds to meet the charge, or for investment in the Bank, as the Board had a minus balance in the Treasury as explained above.

*	Rs 9,28,676	Vide columns 1 to 4 of the
	17,83,991	statement of overdrawals
	51,14,194	prepared by the Accountants
	62,43,980	
	1,40,70,841	
	4	
	5,62,83,364	
	46,903	

@ Interest on overdrawals from 17-18 onwards.		
Total amount as per statement prepared by Accountants	Rs 1,14,301	
Deduct interest to end of 16-17 as arrived at above	46,903	
	67,398	
Balance of interest due from 17-18 onwards	9,830	
Deduct amount paid already		
Balance still due	57,568	

15. Para. 6 of the President's letter

Guaranteed Interest

(i) Para. 2 of G.O. of 22-4-1914 referred to by the Board.

The interpretation of clause 3 (a) of the agreement which is based on this para has been made clear in G.O. No. Fl. 2762/G.F. 71-26-2 dated 29-9-1926 in accordance with which the Government guarantee is only in respect of that portion of the loan raised by the Board and used for the capital expenditure, viz. Rs 1,58,482/- and not either on the loan of Rs 8,00,000/- authorised or on Rs 4,48,800/- raised, as already stated

16. (ii) Para. 4 of the Government Order -

The expression "whole Capital" referred to in this para. represents the amount of loan raised for construction purposes and not the Railway cess and other collections used on construction. This point is clear from para. 7 of the Government Order.

The Railway cess is intended not only for the construction of the Railway but also for meeting all losses in working under this para. The Board cannot, therefore, expect Government to guarantee interest on the entire Capital contributed by it from the - - different sources.

17. Para. 7 of the President's letter

(i) Apportionment of Expenditure.

The B.C.L. Railway Chairman's office expenses and Running Power charges on the Yesavantapur and Yellahanka Sections pertain exclusively to the B.C.L. Railway and as such they may be charged exclusively to B.C & S.L. Ry as proposed by the President.

18. (ii) As regards the question of working the line at a fixed percentage of 60% of the Gross Earnings, I have to state that it is usual for a parent line to undertake to work a feeder line at a fixed percentage of Gross Receipts if the parent line gets its quid pro quo in the shape of traffic brought to it by the Feeder Line. In the case of K.D. Railway, these considerations do not apply.

19. Para 7 of the President's letter (Contd)

(iii) The Board wished to limit its capital contributions to 13 lakhs, but the agreement does not provide for it. The Board has at present paid one half of the total capital outlay to end of 1925-26 viz ½ of Rs 25,46,201/- or Rs 12,73,100/-. It, therefore, practically means that all further Capital Expenditure should be met by Government. This is a matter for the consideration of Government,

20. (IV) In addition to a moiety of the Capital cost, the Board has also to meet funds for discharging the following liabilities :-

(i) Amount required to redeem the debenture loan of Rs 4,48,800/- repayable in 1937, (Rs 3,92,900) and 1939 (Rs 55,900).	Rs 4,48,800 less value to be realised by sale of the 3½ % Securities (face value 3 lakhs)
(ii) Amount of interest on overdrawals in the Treasury (Vide para 13 above)	75,508/-
(iii) Excess amount received by the Board on account of its share of net earnings etc., to be refunded. (Vide para. 10 above)	14,151/-

21. As the net earnings are, at present, insufficient to meet the interest on Capital provided by Government and the District Board as per clause 9 (c) of the agreement and consequently the concern has not been yielding any surplus profits as per clause 9 (f) from which the District Board can meet the above demands, it does not appear to be desirable to abolish the Railway cess for the present.

22. Paras. 8, 9 and 10 of the President's letter

From the above remarks, it may be seen that there are no amounts payable to the District Board, but on the other hand, the District Board has to pay to Government the amounts mentioned in (ii) and (iii) of para. 20.

Sd/- M.A. Singaracharlu
Auditor

.....

Copy

P. Kr. Singaracharlu.

Superintendent,
Comptroller's Office.

Copy of letter No.O.C.234/26-27 dated 15-11-26 from the President District Board, Kolar, to the Auditor, Mysore Railways, Mysore.

---------O---------

With reference to your letter No.898/2614 dated the 12th Instant, I have the honour to state that the debits prior to 1917 were made in the Board's Accounts on the advice of the Comptroller to the Government of Mysore and that the District Board had practically no hand or part in the transactions. From the accounts it is seen that out of the sum of Rs.4,48,800/- collected for the loan, a sum of Rs.2,90,318 was paid for purchasing 3½% Government of India Securities to the face value of Rs.3,00,000/- and that the balance of the loan and the Railway Cess were utilised for Railway Capital Expenditure by the Comptroller and debited to the Board's Accounts on intimations received from time to time.

The accountants deputed for verifying the Railway transactions of the Board have compiled a statement showing the amounts paid by the Board every month for Capital expenditure and a copy of the report was submitted to you by them. I think that will answer your requirements.

The Debentures are repayable in 1937 and 1939. The amount for the first loan was Rs.3,92,900/- and that for the second loan was Rs.55,900/-. The Board's proposal to constitute a sinking Fund was vetoed by the Government for the reason that they had a deficit balance. The Board count upon the Govt. of India Securities, the Railway net earnings due and the interest thereon for repaying the loans.

The present practice of furnishing details of expenditure may be continued.

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Copy

M.\ B.Madhava Rao,

Superintendent, Book & Budget Section.

'Copy'

I/c Sriyamvelu Chetty,
Superintendent
Comptroller's office

Statement B.

Year.	Amount due to the District Board on a/c of G.I. etc.,	Year in which it became payable to the Dist. Board.	Year in which and the amount actually credited to the Board. Year	Amount	No. of years for which & the amount on which Int: is to be charged. Year	Amount	Total amount on which interest is chargeable for one year. i. e. (7x6)	Rate of interest	Amount of interest due to the Board.	Remarks.
1	2 Rs	3	4	5 Rs	6	7 Rs	8 Rs	9	10 Rs	11
I. Amounts overdue to the Board on account of net earnings etc., as per column 14 of the Statement A.										
1913-14	2,277	1914-15	1914-15	3,287 (from 1914-15 to 1926-27)	8	-1,010 (@)	-8,080			(@) This is arrived at as follows Amount due 2,277
1914-15	6,335	1915-16	- -		11	6,335	69,685			" Paid 3,287 Excess-1,010 Paid. -----
1915-16	12,023	1916-17	- -		10	12,023	1,20,230			⊗ Interest calculation made from 1915-16 & 1916-17 respectively up to 1926-27.
1916-17	6,339	1917-18	1922-23		5	6,339	31,695			
1917-18	17,399	1918-19	"		4	17,399	69,596			
1918-19	6,339	1919-20	"	10,038	3	6,339	19,017			
1919-20	18,525	1920-21	"		2	18,525	37,050	4%		
1920-21	14,357	1921-22	"		1	14,357	14,357			
1921-22	9,986	1922-23	"	(from 1922-23 to 1926-27)	4	- 37,093*	-1, 48,372			* This is the excess paid in respect of the years from 1914-15 to 1921-22 (i.e. 4 - 2).
1922-23	15,081	1923-24	1923-24	17,952 (from 23-24 to 26-27)	3	- 2,871	-8,613			
1923-24	14,541	1924-25	1924-25	17,952 (from 24-25 to 26-27)	2	- 3,411	-6,822			
1924-25	29,828	1925-26	1925-26	17,952 (from 25-26 to 26-27)	1	11,347	11,347		8,044	
						Total I	2,01,090			
II. Amount overdue on account of excess contribution by the District Board on account of Capital cost.										
1923-24	24,860	1924-25	1926-27	24,860	1	24,860	24,860	4%	1,988	
						Grand Total I+II	2,25,950		10,032	

Sd. M.A. Srinivachar
Asstr. Accts: Offr.

Copy
M.A. Srinivachar
Asstt. Comptr.
Accts Office

S T A T E M E N T - A.

Net Earnings			Interest on Capital cost provided by Govt. and the Dt.Board	Debenture amount - spent on construction at end of	Guarante interest 4% on de ture spe on const tion.
Total	Govt. share calculated in proportion to the Capital - contribution	Dt.Board's Share calculated in proportion to the Capital contribution.			
8	9	10	11	12	13
Rs	Rs	Rs	Rs	Rs	Rs
Line not opened for traffic.)			550	-	(Line r
-253 B	-	-	6,689	1,04,282	2,27
6,865	4,147	2,465	30,392	1,58,382 C	6,33
24,071	12,048	12,023	54,496	1,58,482	6,33
4,426	2,217	2,209	67,192	1,58,482	6,33
36,052	18,653	17,399	75,165	1,58,482	6,33
5,443 B	-	-	77,193	1,58,482	6,33
7,264	23,296	18,525	80,611	1,58,482	6,33
5,364	19,007	14,357	84,493	1,58,482	6,33
3,675	13,689	9,986	86,583	1,58,482	6,33
5,244	20,163	15,081	94,723	1,58,482	6,33
8201	13,680	14,541	1,01,487	1,58,482	6,33
5598	28,770	29,828	99,234	1,58,482	6,33
064	1,55,650	1,36,414	8,58,808	1,58,482	72,00
728	17,719	18,009			
392	173369	154423			

Year	Total Capital cost		Capital contributed by Government		Capital contributed by District Board	
	During	To end of	During	To end of	During	To end
1	2	3	4	5	6	7
	Rs	Rs	Rs	Rs	Rs	Rs
1912-13	27,494	27,494	27,494	27,494	-	
1913-14	2,79,445	3,06,939	-24,946	2,548	3,04,391	3,04,3
1914-15	9,05,748	12,12,687	7,58,005	7,60,553	1,47,743	4,52,1
1915-16	2,99.407	15,12,094	- 3,720	7,56,833	3,03,127	7,55,2
1916-17	3,35,396	18,47,490	1,68,524	9,25,357	1,66,872	9,22,1
1917-18	63,269	19,10,759	63,269	9,88,626	-	9,22,1
1918-19	38,126	19,48,885	38,126	10,26,752	-	9,22,1
1919-20	1,32,793	20,81,678	1,32,793	11,59,545	-	9,22,1
1920-21	61,316	21,42,994	61,316	12,20,861	-	9,22,1
1921-22	43,151	21,86,145	43,151	12,64,012	-	9,22,1
1922-23	3,63,882	25,50,027	1,94,822	14,58,834	1,69,060	10,91,1
1923-24	- 25,715 - 49,720	24,74,592	-2,60,192	11,98,642	1,84,757	12,75,9
1924-25	12,446	24,87,038	22,398	12,21,040	-9,952	12,65,1
Total	24,87,038	24,87,038	12,21,040	12,21,040	12,65,998	12,65
25-26	59,163	25,46,201.	53,997	12,75,037	5,166	12,7
	25,46,201					

2 12,5,46,201
12,73,100
24,87,038
37,60,138

2,26,98,822
12,73,100
2,39,61,922
1.367%

the amount of interest paid Rs.~~Exx~~ 3071-3-2 and the so called profit of Rs.9,682/5/10, to the head securities and giving a corresponding credit to their respective heads.

The notes are now selling at 77 and ~~xan~~ can only fetch Rs. 2,30.000/- and thus leading to a loss of more than Rs55.000/- To avoid the loss it is proposed that the securities may be kept on as an investment for the sinking fund to meet the Debenture Loan at Maturity. It is also to be pointed out that so far as the District Board has not made any arrangements for creating a sinking fund for the redumption of the loan as the body were involved in -- discharging the overdraft at the Treasury. It is also further suggested for approval that the half yearly interest which is an item outside the Revenue received during a year may also be deposited in Mysore Government Savings Bank at 5 % to meet the -- further liability. The amount thus deposited at the end of 12 years will with compound interest amount to Rs.1,69,000/ which together with the value of the securities may be sufficient to discharge the debenture loan.

This scheme is feasible only after June 1927 when the Board expect to have a Surplus balance after their own

C.G.
President
Nom

yearly to the debenture holders and
the Railway department may arrange
to pay this only periodical liability of
through the District Board. -

Report on the Examination of the
Accounts of the Kolar District Board Railway
on the lines indicated in the Comptroller's
office order No. - dated 17th Feby 1927.

Report on the Examination of the accounts of the Kolar District Board Railway on the lines indicated in Comptroller's Office order dated 17.2.1926.

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I. Short History of the Railway.

To connect the District Head quarters, Kolar, with the M & S M Junction station at Bowringpet, a Railway was proposed to be constructed, the -- capital being entirely met from a Debenture Loan to be floated under the guarantee of Government for the payment of interest and also for the repayment of the loan at maturity. Accordingly, the District Board of Kolar was authorised to raise a 25 years duration Debenture loan carrying interest at 4 %. It was further proposed by Government to connect Kolar and Chickballapur via Chintamani, by Railway. The capital for the whole line from Bowringpet to Chickballapur had to be met in moiety by the District Board and the State -- Funds. This was also accepted by the Board.

Subscriptions to the extent of Rs. 4,48,800 on the whole, were collected.

As the construction was not immediately taken up on hand a sum of -- Rs.2,87,246--7--0 of the loan collections was invested in 3½ % Government

Government of India Promissory Notes which was then considered as profitable.

To enable the District Board (1) to meet its quota of capital expenditure in moieties (2) to pay interest on the Debenture loan raised (3) to create a sinking fund for redumption of the loan at maturity the levy of a Railway cess in the District was authorised.

Investment in 3½ Government of India Securities.

The construction work was not immdiately taken up. With a view to earn something on the Debenture loan deposits received in the several Treasuries of the Kolar District, it was proposed by the President to invest the sum in 3½ % Government of India Securities. Accordingly, on the approval of the Government a sum of Rs.2,90,317/10/2 was invested for purchasing securities of the face value of Rs. 3,00,000/-. Out of the said sum of Rs.2,90,317/10/2 Rs. 3,071/3/2 was paid towards accrued todates' interest on the securities and the balance Rs. 2,87,246/7/0 towards the purchase money including commission.

In one of the Local audits the difference between the face value and the market value paid for purchasing the securities (i,e,Rs.3,00,000/- -Rs.2,90317-10/2) = Rs. 9,682/5/10 has been treated and adjusted as a profit to the District Board even without the cognizance that the then market value of the very same securities was at a discount far below the value the District Board had paid at the time of the purchase. Now it is -- necessary in consideration of the further fall in the market value of these notes i,e, 77 % they may be kept at their -- original cost of Rs.2,87,246/7/0; by debiting the

the amount of interest paid Rs.~~2~~ 3071-3-~~2~~ and the so called profit of Rs.9,682/5/10, to the head securities and giving a corresponding credit to their respective heads.

The notes are now selling at 77 and ~~sum~~ can only fetch Rs. 2,30,000/- and thus leading to a loss of more than Rs55,000/- To avoid the loss it is proposed that the securities may be kept on as an investment for the sinking fund to meet the Debenture Loan at Maturity. It is also to be pointed out that so far as the District Board has not made any arrangements for creating a sinking fund for the redumption of the loan as the body were involved in discharging the overdraft at the Treasury. It is also further suggested for approval that the half yearly interest which is an item outside the Revenue received during a year may also be deposited in Mysore Government Savings Bank at 5 % to meet the -- further liability. The amount thus deposited at the end of 12 years will with compound interest amount to Rs.1,59,000/- which together with the value of the securities may be sufficient to discharge the debenture loan.

This scheme is feasible only after June 1927 when the Board expect to have a Surplus balance after our

C.G.
President

GUARANTEED INTEREST.

Even though the Railway is working from the year 1912-1913 i,e for a period more than 13 years the District Board has not as yet towards their share of profits for having met the capital cost in moiety, received any amount as -- Railway earnings except a rebate of Rs.3,286/12/1 during 14-15. However the auditor has paid under the head " Guaranteed interest" a sum of Rs. ~~187990/~~ 162772 in terms of G.O.No.L.7456-58L.B.76-19-7 dated 12.5.23 as noted in the margin.

23-24. Rs.1,10,038/-
24-25. " 17,952/-
25-26. " 34,782/- (Includes deposits in a/c of Secretary)
" 1,62,772/-

A sum of Rs.1,10,038/- was in adjustment of the capital account and the -- balance was in cash. Coming to the - point " Guaranteed Interest" it is clear that the Government as Guarantors are not liable for any payment ~~otherwise~~ other -wise than in case of the inability of the District Board to meet the demand.

Misconception of the term

Even if the Government in the first instance meets the demand when the Dist-rict Board is unable it will still be a liability of the District Board to the Government.

This view does not seem to be correct as the Government have by agreement Conceded to make up the deficit as a help to the Dt Board whenever the Railway Concern yields less than 4 percent by G.O.

In the general Budget estimates and in the Railway accounts the amount are being shown and paid as if it is a liability of the Government. Now it is for orders to treat this payment of Rs.162772/ paid as guaranteed interest as a portion

It is a Government liability as long as the yield is less than 4 %

of the

the (1) profits or (2) interest due on the capital cost of the Railway to the District Board. It is also ~~further~~ further observed that interest on Debentures are being calculated and adjusted every year by the Railway Audit office. This calculation of interest on the Debentures may under approval of Government be ~~dispansed~~ dispensed with in the Railway accounts in future except when the net earnings of the Railway are less than 18,000/- per year in which case only the difference may be provided as an advance for being recouped in subsequent years share of profits of the District Board.

The basis is not 18000/-; but the figure calculated at 4 percent on the whole Capital - but the deficit on 4,48,000 need alone be paid by the Bd. This difference has to be paid as a final charge and not as an advance

Cash

NET PROFITS AND INTEREST ON CAPITAL.

Before calculating interest on capital there has been always profits in the working of the Railway line and only when the interest on capital at 4 per cent is charged to account the result is a loss. The Railway Department are neither paying half the net profits that are gained by the working during a certain year or half the interest due on the share of the capital of the District-Board after deducting the net losses.

To avoid the above difficulty and to facilitate accounts it would be better to treat the amount now paid to the District Board under the head " Guaranteed interest" together with the balance if any accrued as payment of the portion of profits due to the District Board.

(1) As the District Board has not with the commercial intention of gaining a profit taken up the construction of the Railway* the calculation of interest on the capital is quite immeterial to them,

(2) further to add there is also no -- stipulation with the Debenture holders for distribution of the surplus profits if any, earned by the Railway. Under the circumstances half the net profits of the Railway before calculating interest on the capital may be disbursed to the Board to enable them to pay interest in their turn to the debenture holders. A sum of Rs.17,920/- and generally less than Rs.8,960/- has to be paid half year

ly

* It is very material for us.

According to the agreement, the Boards are entitled to the following:—

1) Half the net earnings deducting working expenses whenever the yield is less than 4 % on the Capital outlay

2) If the yield is 4 % or more, then 4 percent of the Boards Share of outlay.

or

3) 1) The difference required to make up the 4 percent on 4.48.800/-

or

2) 1/4 of the Surplus remaining over the 4 percent yield deducting for Certain charges.

yearly to the debenture holders and
the Railway department may arrange
to pay this only periodical liability ~~of~~
through the District Board. Thus -

AGREEMENT.

In para 3(a) of the agreement now existing Government have guaranteed the payment of interest at 4 % to the debentur holders when the loan was floated. With the idea that the Government should itself pay the debenture holders as principal, instead of as a Guarantor who has to meet the demand only when the principal is unable to honour the demand, the agreement has been framed. As the principal is more responsible than the Guarantors, the District Board cannot shirk their responsibility and hence -- they have to pay the interest to the debenture holders and only when the -- Board is unable to pay, Government will be held liable for the payment. Clause (9) I of the agreement has also to be modified as the liability of the Government is a far fetched one and the -- division of the profits should be in equal proportions if the views above -- suggested are considered favourably. In the absence of the modification of the agreement the District Board will have a claim for (1) half of the present net earnings (2) as well as for the amount of interest on debentures already paid by them in consideration of their grant to the Government of ½ of the net profits on account of the Guarantee for the payment of Interest to the debenture holders by Government.

The terms of the agreement read with Rule 4 of the Rules issued under G.O. No H 4932-81 G.7.163-13-1 dated 22nd April 1914 clear the point. The Government have specifically conceded to make up the deficiency in yield on Rs 68,880 and in lieu thereof as Compensation they have contracted to appropriate 3/4 of the Surplus profits as guarantors. The interpretation of the Auditors is not warranted by facts.

It is considered that the Government have guaranteed 4 % interest to the District Board, then Government will have to pay interest on the fully paid capital of the District Board at 4 % and not at 4 on the Debenture loan raised by them. Orders of the Government, in any case, have to be obtained of this point or guaranteed interest in consideration of the fact that a sum of Rs.17,900/- only per year has to be paid from District Funds to the Debenture holders which can easily be provided in the District Fund Budgets and paid to the Debenture holders

Reference to clause 5 (b) in clause 9 (a) seems to have no bearing on the condition specified in clause 9 A of the agreement. This point has therefore now to be made clear.

CAPITAL EXPENDITURE INCURRED BY THE RAILWAY DEPARTMENT.

These are being incurred by the Department without even the formal administrative sanction or disapproval of the District Board and thus their estimates are being upset when large amounts, spent on capital expenditure are demanded from the Board. As the District Board are in touch with the General public whose representations can be expressed through the elected members of the Board, it will not be only be advantageous to consult the District Board as partners in the Railway line but also as a representative body of the General public in matters of capital expenditure. Amounts are being demanded from the Board without furnishing any particulars as regards works expenditure. A monthly statement showing the full particulars of the expenditure has to be forwarded to the Board. It is also essential that the Board should be given previous notice before any large amounts of say Rs.5,000/- or more are demanded from them. These and similar arrangements may enable the District Board to run on with their usual business without the interference of the Railway transactions.

This arrangement is recommended for adoption
C.E.G.

A C C O U N T S.

1. A sum of Rs.4,721/- was debited to District Funds by the Treasury during June 1914 under the head /Bk. Railway Expenditure as per Executive Engineer's Docket No.316 dated 25.7.1914 ". The amount has not been taken to Comptroller's account. The amount has now to be taken to Capital account of the Railway and half the amount i,e, Government share of Capital Expenditure has to be refunded to the District Board.

2. The Interest on Overdrawal as per statement attached is Rs. 1,14,301-1-10. The amount that has now been paid by District Board is Rs.28760-15-8. The difference of -- Rs. 85,540-2-2 has to be recovered from the District -- Board. The debit in the District Board accounts will however be towards Railway capital expenditure.

No. The Board were exempted from payment of interest upto 1917-1918 & all subsequent claims have been paid. Discontd 1922-1923

3. Only a part sum of Rs.4,418-9-10 was paid on account of interest on 3½ % Government of India Securities -- lodged with Comptroller during May 1917 and the balance of Rs. 490-15-4 due on the same security for that period was subsequently paid in September 1917. The interest on the above securities for the half year ending 30th June 1917 has not been realised by the District Board. In letter No.C. 649/25-26 dated 25.5.26 the Comptroller has been addressed to pay the amount.

4. A sum of Rs.1,53,421-11-2 has been added to the Closing debit balance of June 1915 and the result has been taken as the Opening Balance of July 1915. This debit to District Funds has been treated as a Railway expendi-

ture

expenditure in the audited accounts now submitted. The Comptroller has also been addressed in letter No. CC.635 of 25-26 dated 17/29.5.26 to furnish particulars for the debit. In case if the debit relates to any other head than the capital expenditure on account of the Railway it may be adjusted by the Comptroller and the District Board Railway capital account credited to the extent.

5. The following payments made on account of Railway Capital Expenditure has been classified under " Railway Cess Fund" and are included under interest on

September 1925.	Rs.	246	12	5
			5	6
October 1925.	"	254	14	8
November 1925.	"	111	13	0
December 1925.	"	226	12	6
M a r c h.	"	445	14	11
		901	6	4
		2,187	15	4.

Debenture Loan and has to be adjusted by credit to Interest on Debenture Loan and debit to capital expenditure. Instructions have also been given to maintain separate accounts (1) Interest on Debenture Loans paid (2) Payments on account of capital expenditure for the year 1925-1926 and onwards.

6. A sum of Rs. 9,682-15-10 erroneously taken as profits during 23-24 and 3071-3-2 being the accrued interest paid on the date of the purchase of the 3½ % Government of Indian Securities have also to be adjusted by credit to Securities. (This has been dealt in detail separately).

RAILWAY CAPITAL ACCOUNT.

(a) The amount of capital paid for the construction of the Railway line during the years 1913-1914, 1914-1915, 15-1916 and 1916-1917 was debited to the District Funds through the Books of the Comptroller and the Pass Book Balance in the Treasury was also accordingly reduced. The District Fund accounts for the above four years have been worked and the new additions on account of Railway and other heads have also been agreed with the Comptroller's accounts and the Treasury pass Book. Treasury balances have been reduced and corrected according to the Comptroller's figures. Statements relating to these accounts are also herewith attached. As the credits pertaining to these items have not appeared in the Railway accounts formal inclusion of the same is now necessary in the accounts of the Railway department. These accounts may therefore now be taken on to accounts of that department.

(b) The Debenture Loan Bonds of the Kolar District Board Railway are being countersigned by the Comptroller and they are being scrutinised after received in that office. The interest audit registers were gone through and examined. The examination gave rise to a number of intermediate interest

interest columns remain without being posted. A statement of such blanks ~~i.e.~~ interest paid but not posted in the Interest audit registers has been prepared and ~~herewith attached.~~ sent to the Comptroller. A statement relating to each Taluk on which the Bonds have been enfaced for payment of interest has been prepared and sent to the taluks for noting the dates of payments of those periods so that the interest Audit Register may be brought up-to-date. Audit of interest paid to debenture holders could not be taken up as directed in the office order for the above reasons. In this connection it is further observed that the interest on majority of the bonds have been paid as can be seen in the attached statement and thus the payments in the Treasuries have been fully recouped. The Comptroller's office also have to search and ~~xxxx~~ see if any vouchers for the periods are pending in that office and send them to the President's office for note in the Interest Audit registers.

(c) Total amount spent on K.C. Railway to end of June 1925 is Rs.24,87,038/- of which Rs.12.63.519/- represents the District Board share. As the amount already contributed by the Board on account of their share to end of 24-25 Viz., Rs.12,66,500/- (vide details noted in the margin) is in

District Board payments on account of their share of capital expenditure to end of 1924-25

Amount paid by the Board to end of 23-24.	Rs.12,65,998/-
during 24-25.	502/-
Total.	12,66,500/-

in excess of their share by Rs.22,981/- this excess amount id due to the District Board.

Railway Revenue Accounts.

Under clause 7 (b) of the Agreement Government has to bear all loss upto 30.6.1917. The total loss up to end of 30.6.1925 (excluding the loss to be borne by Government to end of 30.6.17) is Rs. 4,25,339) vide col.9 of statement attached). The same has now to be shared by both Government and the Board in moiety as in case of surplus profits referred to in para 9 (b) of the agreement. Accordingly, the District Board has to recoup the loss to the extent of Rs.16,937/- vide details noted below)

Interest at 4 % on District Board share of capital expenditure.	3,22,873/-
Deduct Guaranteed interest for the years commencing from 17-18 to 24-25 received by the District Board.	1,43,618/-
Amount due to District Board.	1,79,255
Loss to be borne by the Board.	1,96,192
Amount payable by the Board.	16,937/-

wrong

How is this figure is arrived at is not clear —

In the absence of specific understanding as to the devisibility of losses sustained in the concern it is point for consideration as to whether the entire loss ~~is not to be borne by Government as guarantee of interest~~ are not to be shared in the same proportion as of profits.

Dr. M. Sankara Ramiah
26/ C. V. Lakshmi Narasimha Iyer

STATEMENT SHOWING THE RESULT OF WORKING OF THE KOLAR DISTRICT RAILWAY. A

Year.	Capital contributed by Government.	Capital contributed by District Board.	Total capital outlay on Kolar District Railway.	Net Receipts.	Interest on Capital provided by Government.	Interest on Capital provided by District Board.	Interest on Capital Total.	Net Gain or Loss.	Loss to be borne by Govt as per para 9 (f) of Agreement.	Loss to be borne by Dist. Board as per para 9(f) of Agreement	Amount received by Dist. Board in the shape of net interest.	Interest due to Dist. Board.	Diff. between cols. 7 & 12.	Amount due to or payable by the District Board. Diff between cols. 13 & 11.
	2.	3.	4.	5.	6.	7.	8.	9	10	11	12	13	14.	
16-17.	9,25,357	9,22,133 @	18,47,490	(Loss to be borne exclusively by Government as per clause 7 (b) of Agreement.										
17-18.	63,269	..	63,269	54,240	38,280	36,885	75,165	- 20925	10827	10098	17958 Y	18927	- 8,829	
18-19.	38,126	..	38,126	65,443	40,308	36,885	77,193	- 02636	43536	39100	17948 Y	18937	+20,163	
19-20.	1,32,793	..	1,32,793	47,264	43,726	36,885	80,611	- 33347	18575	14772	17952 Y	18933	- 4,161	
20-21.	61,316	..	61,316	33,364	47,608	36,885	84,493	- 51129	29128	22001	17952 Y	18933	+ 3,068	
21-22.	43,151	..	43,151	23,675	49,698	36,885	86,583	- 62908	36373	26535	17952 Y	18933	+ 7,602	
22-23.	1,94,822	1,69,060	3,63, 882	35,944	54,456	40267	94,723	- 59479	34,027	25452	17952 &	22315	+ 3,137	
23-24.	-2,10,472	1,84,757	- 25,715	28,201	54,144	47,343	101,487	- 73286	36243	37043	17952 Ø	29391	+ 7,652	
24-25.	-27,322	- 9,952	- 37,274	58,598	49,389	50838	100,227	- 41629	2438	21191	17952	32886	-11,695	
Total.	12,21,040	1265998	24,87,038	275,143	377609	322873	700482	-425339	229147	196192	143618	179258	+ 16,937	

@ Includes a sum of Rs.1,53,421-11-2 being the difference between the Closing balance for 14-15 and the Opening balance for 15-16. Particulars of transactions relating to the said sum has been called for from the Comptroller.

Y) Represents the amounts adjusted to the credit of the Kolar District Board towards their share of capital expenditure.

& Represents the amounts received in cash by the Kolar District Board during 23-24.

Ø do-. -do-. 25-26.

C.N. Lakshminarayana Rao
Accountant

Dr.

RECEIPT	Rs as P	Rs as P	EXPENDITURE.	Rs a	Rs as P
Debenture Loan.		44880(. 0. (	Interest paid to Debenture holders to end of 1924-25.)	215291. 6. (	
Guaranteed interest on profits to end of 1924-25	127990. 0. 9		Railway Cess Fund	11695. 6. 6	226984.12. 6
,, ,, from 1.7.25 to end of 31st March 26	34782. (. (	162772. 0. 0	Railway Capital expenditure.		1127595. 6. 7
Railway Cess. ~~1924-25~~ of 1924-25.	793989. 8.1(		Interest paid to Government on overdrawals.		28765.15. 8
,, ,, from 1.7.25 to 31st March 26.	75206 6. 5	869195. 9. 5	Amount invested in 3½ Govt. of India Securities.		287246. 7. 0
Refund of Capital outlay.		15 19. (. 5			
Interest on Investments to end of 124-25.	132665. 5. 7		Other Payments. Amount debited by Comptroller, under correspondence.		153421. 11.2
,, ,, ,,from 1.7.25 to 31. 3.26	9489. 6. (.	142154.11. 7	[illegible]		[illegible]
Other Items "Rebate on ~~Capital~~ Working Expenditure" received on 7.9.14		3486.12. 1.			
Amount spent from Dist. Funds.		186976.1(. 0.			
TOTAL.		1828204.11. 2.	TOTAL.		1828204.11.2

C. N. Lakshminarasimha Iyengar
Auditor

M. Sankara Ramiah
27-5-26 Auditor.

PROFIT AND LOSS ACCOUNT.

of The Kolar District Board relating to Kolar District Railway.

DR. CR.

LOSSES.	Rs. a. p.	Rs. a. p.	PROFITS.	Rs. a. p.	Rs. a. p.
Interest paid to Debenture holders 24-25.	215291. 6. 0		Guaranteed Interest or profits 24-25.	127990. 0. 0	
(Ry.Cess fund) 1/7/25 to 31.3.26.	11693 6. 6	226984.12. 6	,, ,,1.7.25 to 31.3.26.	34782. 0. 0	162772. 0. 0
Interst paid to Government on overdrawals.		28760.15. 8	Interest on Investments.24-25.	132665. 5. 7	
Establishment charges.		4195. 6. 3	,, ,, 1.7.25 to 31.3.26.	9489. 6. 0.	142154.11. 7
Net Profits.		48272. 5. 3	Rebate on ~~Capital~~ Working Expenditure.		3286.12. 1
TOTAL.		308213. 7. 8.	TOTAL.		308213. 7. 8

C. N. Lakshminarasimha Iyengar
Auditor

M. Sankara Ramiah
Asst. Auditor

BALANCE SHEET OF THE KOLAR DISTRICT BOARD RELATING TO THE KOLAR DISTRICT RAILWAY.

LIABILITIES.	Rs. A. P.	Rs. A. P.	ASSETS.	Rs. A. P.	Rs. A. P.
LOAN:-			RAILWAY:- Capital paid by Dist. Board.	1127595 6 7	
Debenture Loans.		448800 0 0	Less Refunds.	15019. 0. 3	1112576 6 4
Amount spent from Dist. Funds.		186976 10 0	Under correspondence with Comptroller.		153421 11 2
Profits:-			INVESTMENTS:-		
Profits as per Profit and Loss A/C.	48272 5 3		Government of India securities.		287246 7 0
Railway Cess to end of	793989 2 10				
" " from 1/7/25 to 31/3/26.	75206 6 5	917467 14 6			
TOTAL		1553244 8 6	TOTAL.		1553244 8 6

M. Sankara Ramiah
27-5-26 Auditor.

M Lakshmi Narasimha Rao
Auditor.

[illegible] RAILWAY CESS COLLECTED AND PAID TO [illegible] DISTRICT BOARD.

1914-15.	1915-16	1916-17.	1917-18	1918-19.	1919-20.	1920-21.	1921-22.	1922-23	1923-24.	1924-25
..	..	658. 2. 4	1706. 2.10	616.11.11	8484.14. 5	5506. 2. 0	3846. 5.11	3013.3. 2	2916.- . 5	1826.14.1
..	1128. 8. 4	833. 3. 6	465.10. 4	515.13. 1	2006.10. 6	1630. 8.11	2864.12. 2	1859. 5. 3	2458. 4.11	2097. 7.3
..	348. 5. 2	599. 1.10	215. 7. 1	473. 0. 3	2380. 6. 8	2561. 1.-	2943. 9. 6	2217.10. -	2172.13. 2	2527. 4.-
..	455. 9 2	494.13. -	981.15. 9	323. 8. 9	2682. 9. 6	3217. 9.11	2791. 2.10	4227. 7. 8	3713 9. 4	2428.10.-
15. 8.11	610. 7 3	625.15. 1	832. 1. 7	238. 6. 5	3484. 2 2	5545.15. 9	4195. 9. 4	4403. 8. 4	9764 3. 5	2729.14.3
47. 6. 9	368 0 5	591.12. 0	520 1. 3	321. 1. 5	4498.13. 6	4709 5. 3	3967.15. 7	3295.14. 7	2869. 8. 2	3224.11.9
39. 1.10	465 13 4	568[illegible]10.10	382.10. 3	929. 7.11	3440.12. 9	5738. 4. 7	5721.14.10	4069. 8. 9	3301 4. 9	2591. 3.9
33366. 1.10	31805. 7. 9	31751.15. 6	30660. 3. 5	26107. 6. 7	32094.--. 1	37041. 7. [illegible]	[illegible]	[illegible]	50002. 9. 5	41168. 9.6
6516. 5 7	8568 1 1	8759.15. 0	7058. 6. 2	10689.10. 3	15194. 3. 1	[illegible]	[illegible]	[illegible]	11865.---.	12076.10.11
3085 12 3	2556 14 10	3817 10. 3	4184. 1. 7	3619.15. 1	7100. 6. 4	6052 15.2	[illegible]	5464.15. 6	5980. 6. 6	6886.13.4
2769 9 11	4004 7 5	4105. 1. 6	3979 12 9	5887 1. 4	6185.10. 2	5892.10. 1	[illegible]	[illegible]	12095. 4. 2	5714. 6.9
1821 10 6	2505 11 0	8846. 2. 8	[illegible]	2068 5 4	7247.13. 7	7747[illegible]. 1.10	7063. 7. 4	7088.10.11	6299. 8. 7	6375. 7.7
47661. 9. 7	52837 5 9	61062. 7.11	52644.13.9	51800. 8. 4	86797. 6. 9	84452. 7. [illegible]	[illegible]	56930.10. [illegible]	59608. 8.10	80466. 1.11

Madras, the 1.93.1

M. Sankara Ramiah
27-5-26 Auditor
C. N. Lakshminarasimha Iyengar,
Asst.

STATEMENT SHOWING INTEREST REALISED ON INVESTMENT OF 3½% GOVERNMENT OF INDIA SECURITIES FOR Rs.3,00,000%

Months	12-13	13-14.	14-15.	15-16.	16-17.	17-181.	18-191	19-201	20-21.	21-22.	22-23.	23-24.	24-25.
July.	...	...	...	...	...	...	...	...	...	...	4744.11. 0.	4744.11. 0.	4744.11. 0.
August.	...	...	...	...	...	...	...	...	...	...	...	...	....
September.	...	...	...	...	...	490.15.4	...	4909. 9. 1.	4909. 9. 1.	4800. 7. 6.	...	...	...
October.	...	...	...	...	...	...	...	...	...	...	...	...	...
November.	...	5100. 8. 0	...	5100. 8. 0	...	...	1636. 8. 4.	...	...	...	...	...	...
December.	...	...	...	...	4909. 9. 2.	...	...	...	...	...	...	...	...
January.	13261. 4. 9.	...	...	...	...	...	4909. 5. 5.	...	...	...	4744.11. 0.	4744.11. 0.	4744.11. 0.
February.	...	...	...	...	...	4909. 9. 2	...	4909. 9. 1.	...	4800. 7. 6.	...	...	...
March.	...	...	5100. 8.0.	...	...	...	4909. 9. 1.	...	...	...	...	...	...
April.	...	...	...	...	...	...	...	...	...	...	...	...	...
May.	5100. 8. 0.	5100. 8. 0.	5100. 8%0.	...	4418. 9.10.	...	...	...	4909. 9. 1.	...	...	...	...
June.	...	...	...	...	...	...	...	...	...	...	...	...	...
June(Final).	...	...	~~4909.~~ 8. 8.	4909. 9. 2.	....	...	...	...	...	...	...	...	...
Grand Total.	18361.12. 9.	10201. 0. 0.	10201. 0.0.	10010. 1. 2.	9328. 3.0.	5400. 8. 6.	11455. 6.10.	9819. 2. 2	9819. 2. 2.	9600.15. 0.	9489. 6. 0.	9489. 6. 0.	9489. 6. 0.

Grand total Rs 13

M. Sankara Ramiah
27-6-26
C. N. Lakshmi Narayana Iyengar
Auditor

STATEMENT SHOWING THE AMOUNT OF INTEREST PAID TO DEBENTURE HOLDERS.

Months.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.
	Rs. A. P.	R. A. P.	Rs. A. P.	R. A. P.	Rs. A. P.	R. A. P.	R. A. P.	Rs. A. P.
July. ...	...	852.14	180 2. 0	556. 0. 0.	1029.15.11.	...	...	...
August. ...	...	563. 1	114. 5.10	222. 8. 8.	387. 6. 2.	...	...	...
Sep[illegible]er. ...	...	219. 39	1010. 4. 0	198. 6. 2.	345. 4. 8.	...	...	72. 0. 0.
October. ...	...	395[illegible]. 77	5345.14. 8	5401.14.10.	5842. 0. 0.	...	...	...
November. ...	...	1999. 6	301.13. 4	871. 1. 9.	1076.15. 3.	...	...	...
December. ...	...	478. [illegible]	456.10. 2.	531. 4. 2.	152. 0. 0.	...	...	...
January. ...	5887 [illegible].11.11.	401. [illegible]	118.13. 4.	323. 8.10.	258.13. 7.	62. 0. 0	62. 0. 0	...
February. ...	370. 7.10.	101. [illegible]	380. 3. 9.	450. 5. 1.	125. 3. 1	...	...	...
March. ...	249.14. 0.	39. [illegible]	84. 7. 3.	137. 8. 6.	552. 0. 0	...	...	...
April. ...	3937.15. 1.	4761. 1	4941. 3. 2.	5056. 0. 7.	6326.11. 6.	...	...	...
May. ...	1054. 2. 9.	736. [illegible]	388. 2. 4.	4296. 2.11.	1240.15. 1.	62. 0. 0.	...	72. 0. 0.
June. ...	843. 1. 1.	785. 7.	782.12. 9.	1283. 4. 8.	348. 1. 5.	...	...	...
June (Fl.) ...	...		...	...	20. 0. 0.	...	...	...
TOTAL.	12343. 4. 8.	14869. 4	14104.12. 7	19328. 2. 2.	17705. 6. 8.	124. 0. 0.	62. 0. 0.	144. 0. 0.

Grand Total Rs. 91-6-0

1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	
				1808. 0. 0.	July
312. 0. 0.		184. 0. 0	3198. 0. 0.	68. 0. 0.	August
	299. 2. 0	70. 0. 0		1610. 0. 0.	September
		132. 0. 0.		110. 0. 0.	October
	92. 0. 0.	462. 0. 0.	1507. 6. 2.		November
	2788. - -	4. 0. 0.	191. 4. 0.	5150. 0. 0.	December
	5188. 0. 0.	7175. 6. 8.		564. 0. 0.	January
			108. 0. 0.		February
	15708.13/ 0.	28. 0. 0.	250. 0. 0.	2130. 0. 0.	March
	1902. 0. 0.	966. 0. 0			April
	6636. 0. 0.	678. 0. 0.		5418. 0. 0.	May
49268.6.6.	702. 0 0	8558 4. 3.	12421.10. 0.	322. 0. 0.	June
					June (FE)
49580.6.6.	33315.15. 0.	18857.9. 11.	17676. 4. 2.	17180. 0. 0.	

M. Sankara Rama
27-5-26 Auditor
C. Nilakantha Nayanivaru

A STATEMENT OF INCOME TAX COLLECTED
PUBLISHED BY THE DEPARTMENT BOARD

	1913-14	1914-15.	1915-16.	1916-17.	1922-23.	1923-24.	1924-25.	1925-26.
July.	...	1042. 6.10	911. 9. 3	10084. 1. 8	...	...	...	
August.	...	80. 8. 2	-8453. 7. 4.	-28019.14.-	...	...	...	
September.	...	-371. 4. 5	258. 5. 7.	24568. 1. 2.	...	...	...	
October.	...	1188.15.11.	-13.10. 4.	37538. 1. 6.	...	185110. 3. 9.	...	
November.	176395.13. 4.	1229. 3.11	-10. 3. 3.	8758.11. 2.	...	...	...	
December.	71810.15. 1.	7634.15. 7.	430.14. 2.	14536. 4. 5.	...	...	...	
January.	20995. 9. 8.	-84421. 6. 0.	-409.13. 4.	8580. 2. 0.	...	2815. 9. 1.	...	
February.	17061. 5. 6.	19257. 6. 2.	98440. 4. 5.	4884. 6. 3.	...	...	...	
March.	8963. 6. 3.	68692. 4.11.	49777. -. 5.	17634. 3. 7.	...	...	...	
April.	867.13. 2.	29854. 6. -	-14078.15. 7.	5941.11. 0.	...	...	...	
May.	6508. 5. 9.	25178.14.10.	409.12. 3.	-170. 4.10.	...	...	1334. 9. --	
June.	1787. 7. 4.	78377. -. 4.	15983. -. 2.	33268.12.10.	16906o. o. o	...	563. 9. 4.	
June (Fl)	...	...	7060, 3. 3.	29270.14. 8.	...	...	...	
Grand Total	130439o.12. 1.	147743. 8. 3.	149704.15. 8.	166872. 3. 5.	16906o. o. o	187925.12.10.	1898. 2. 4.	

Grand Total 11[illegible]

M. Sankara Rama[illegible]
C. P. Lakshmanan

STATEMENT OF OVERDRAWALS.

Debit Balances. Statement of Overdrawals.

Month.	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23.	23-24	24-25	25-26
July.	...	154713 10 7	400082 7 8	498276 15 6	450864 14 0	360908 14 4	223391 11 8	174673 7 8	202680 12 2	78139 9 10	86140 5 10	163262 9 9	114092 2 1
Aug.	...	156078 3 9	392556 15 5	476902 9 0	451710 6 2	362658 2 2	288650 5 0	177381 6 8	201764 3 3	122287 7 9	94020 1 6	170238 8 2	87393 5 5
Septr.	...	159806 7 7	396821 10 7	507577 2 1	452477 14 9	338510 10 7	288657 15 10	156066 10 0	197189 14 6	129479 13 10	92156 3 2	168842 14 4	94868 2 5
Octr.	...	173106 14 11	411303 7 11	556293 6 1	452739 6 11	338343 12 1	288956 1 5	158619 9 8	196394 4 6	128290 3 2	271460 9 6	172451 12 1	96310 14 5
Nov.	39284 1 4	180296 2 1	410487 5 7	564618 2 0	451881 8 5	339876 15 4	279377 10 0	159673 12 7	198826 7 11	123986 3 9	250138 4 4	186269 7 2	99103 12 0
Dec.	118118 0 0	190509 14 10	415419 11 4	582075 0 11	452196 10 2	343578 1 3	286309 4 8	160333 7 7	194783 7 1	117929 4 7	255219 7 0	185966 5 4	62621 5 4
Jan.	145985 15 2	110923 2 7	420608 4 8	592557 6 10	469869 4 6	342485 6 0	283601 13 6	164138 8 10	175895 10 7	120073 6 7	252594 10 6	200165 14 5	72104 0 0
Feb.	112806 5 6	49502 1 4	443538 5 2	521034 2 8	365827 9 5	272202 10 10	192751 12 2	97511 3 9	91995 2 4	6415 15 6	176708 11 5	148255 3 7	3705 3 8
Mar.	117657 15 10	99580 11 10	455238 0 9	520340 1 4	352672 4 2	245889 9 11	189304 0 1	94832 2 10	81107 14 8	-16634 15 9	141964 12 6	124657 3 1	Plus Balance.
Aprl.	123072 6 5	129988 12 10	442067 15 2	527747 12 8	340207 5 4	234856 6 7	172536 15 4	101258 11 8	63112 12 2	-13839 3 2	142015 14 10	117409 12 6	
May.	124201 2 2	138463 7 7	439447 4 6	442525 11 6	327309 8 2	219346 7 1	159379 2 11	90864 7 8	56233 6 8	3739 6 5	110664 7 4	99033 1 1	
June. and June	147550 3 9	241025 14 11	486622 11 7	454031 9 9	363856 5 8	296335 11 2	155246 8 8	178489 0 3	73164 5 1	77185 3 11	110764 9 6	110182 0 5	
Fl.	9,28,676 2 2	1783990 8 10	5114194 3 11	6243980 0 4	4931613 1 8	3694992 11 4	2808163 5 3	1713842 8 6	1733048 4 11	877052 8 5	1983848 1 5	1846734 11 7	63o198 13 4

Total. Rs 3,42,90,335 . 1 . 8 Interest at 4 % = Rs. 14,301 . 1.10

Int @ 1.367 = 39,063
75,238

ESTABLISHMENT CHARGES PAID DIRECTLY BY MILITARY ACCOUNTS.

Months.	1915-16.			1916-17.			1917-18.			1918-19.			1919-20.			1920-21.			1921-22.		
	R.	A.	P.	R.	A.	P.	R.	A.	P.	R.	A.	P.	R.	A.	P.	R.	A.	P.	R.	A.	P.
July. ...	50.	0	0	50	0	0	50	0	0	50.	0	0	53.	2.	0	56.	7.	1.	60	0.	0.
August. ...	50	0	0	50	0	0	50	0	0	50.	0	0	53	2.	0	60.	0.	0.	56.4.		0.
September. ...	50	0	0	50	0	0	50	0	0	50	0	0	53.	2.	0	60.	0.	0.	49.13.4.		
October. ...	50	0	0	50	0	0	50	0	0	50	0	0	53.	2.	0	60.	0	0.	55.0		0
November. ...	50	0	0	50	0	0	50	0	0	50	0	0	53.	2.	0	62.	2.	6.	55.0		0
December. ...	50	0	0	50	0	0	50	0	0	50	0	0	53.	2.	0	60.	0.	0.	56.5.		4.
January. ...	50	0	0	50	0	0	50	0	0	56	4	0	53.	2.	0	60.	0.	0.	...		
February. ...	50	0	0	50	0	0	95	0	0	53	2	0	53	2	0	60	0	0	...		
March. ...	50	0	0	50	0	0	50	0	0	53	2	0	53	2	0	60.	0	0	...		
April. ...	50	0	0	50	0	0	50	0	0	53	2	0	53	2	0	60	0	0	...		
May. ...	50	0	0	50	0	0	50	0	0	53	2	0	53	2	0	60.	0	0	...		
June. ...	50	0	0	50	0	0	50	0	0	53	2	0	53	2	0	60	0	0	...		
June(pl.) ...		...			...			...			...			...			...			...		
TOTAL.	600	0	0	600	0	0	645	0	0	621.14.	0	0	657.	8.	0	758.	9.	7.	352.	6.	8.

M. Sankara Ramiah
21-5-26.
C/1 Lakshminarayanaiah

OTHER RECEIPTS.

1. A sum of Rs.1,10,038. 0. 0. called "Guaranteed Interest held in deposit in Railway Department up to end of 21-22 adjustable to District Board" has been received by transfer credit by the District Board on 5th June 1923. The corresponding debit is under the head "Share of Outlay on Capital Account of Kolar District Board Railway till the end of June 22 as per G. O. No. L.7456-58/L.B.76-19-7 dated 12.5.23 in favour of District Treasury Officer, Kolar for credit to Objection Book Advances for adjustment towards District Board Railway Account"

2. Rs.17,952. 0. 0. Guaranteed Interest held in deposit in Railway Department up to end of June 1923 credited to Treasury on 12.11.23.

3. Cheque No.96 dated 13.11.23 for Rs.3169.0.3 from The Auditor Mysore Railways, being the refund of Capital Outlay till the end of June 23.

4. Rs.11,850. 0. 0. has been received as refund of share of Capital outlay during 1924-25.

5. A sum of Rs.3286.12.1 has been received by The President, District Board on 17.9.14 being "Rebate on the working of the Railway" granted as per Comptroller's No.1743 dated 14.9.14 Ry. O. L/529-32.

OTHER PAYMENTS.

1. 228/29.6.18. Voucher No.103 for Rs.18,930.15.8 given by the District Treasury Officer being the interst on overdrawals from the treasury during the year 1916-17 due by the Kolar District Board. to Government.

2. Voucher No.18 of December 24 Cheque No.80 issued in favour of The Auditor, Mysore Railways, being the interest on overdrawals from the year 1917-18 to the end of 1922-23 as per Railway Auditor's No.BB.1174 dated 20.12.24. Rs.9830. 0. 0.

5.

M. Sankara Rao
27-5-26 Auditor
C. N. Kathirvelayudha Mudaliar
Auditor

1913-1914.

A Statement of Additions made to the payments of the District Board by the Comptroller.

Month.	Pensions.	Office Estt.	Pasteur Institute.	Veterinary charges.	Interest on Loans	Railway capital	Other Items.	Total.
1. July.	1--5--10	..	..	..	852--14--7	..	..	854--4--5
August.	1--5--10	..	..	3--9--0	563-- 1--7	..	..	568--0--5
3. September.	00--0--10	..	31--8--0	5--3--4	219-- 3--9	..	..	291--4--11
4. October.	1--5--10	...	...	15--9--9	3,931-- 7--7	..	200--0--0	4,148--7-- 2
5. November.	1--5--10	..	..	..	1,999--8-- 6	176395-13-4	..	178,396--11--8
6. December.	1--5--10	...	...	9--6--6	478-- 7--1	71810-15-1	..	72,300-- 2--6
7. January.	1--5--10	..	..	4--3--0	401-- 2--6	20998-9-8	..	21,402-- 5--0
8. February.	1--5--10	..	..	126--9--3	101-- 4--9	17061--5-6	..	17,290-- 9--4
9. March.	1--5-- 0	..	...	28--1--0	39-- 0--2	8963-6-3	350--0--0	9,066--12--5
10. April.	1--5--10	..	..	3-10--0	4,761--3--11	867-13-2	..	5,634-- 0--11
11. May.	1--5--10	..	..	13--11-6	736--11- 9	6508- 8-9	..	7,260-- 2--10
12. June.	1--5--10	10-0-0	..	10--3--6	785-- 5--7	..	..	806--14--11
13. June (final)	..	..	..	..	..	..	..	..
Total.	50--5--2	10--0--0	31-8-0	220--2--10	14,869--7--9	3,01,803--4-9	235--0--0	3,18,019--12-6

ABSTRACT OF CORRECTIONS. For 1913-1914.

Month.	District Board Figures.	Additions by the Comptroller.	Total.	Figures in the Abstract.	Remarks.
1. July.	3,562--7--9	854--4--5	4,416--12--2	4,416--12--2	(1) A sum of Rs.4,721/- adjusted by the Treasury by debit to 'District Funds' as per -- Executive Engineer's docket No.316 dated 25.7.1914 during June 1914 Accounts has been omitted to be taken to the corrected accounts by the -- Comptroller. The charge is on account of B.P.Expenditure.
2. August.	7,755-11--1	568--0--5	8,323--11--6	8,323-- 11--6	
3. September.	3,584--1--10	291--4-11	3,875-- 6--9	3,875--6-- 9	
4. October.	11,695--2--2	4,148--8--2	15,843-- 9--4	15,843 --9-- 4	
5. November.	6,643--6--4	1,78396-11--8	1,85,(4(-- 2--(	185,(4(-- 2--(	
6. December.	7,577--0-- (	72300--2--6	79,877--2 --6	79,877-- 2--6	
7. January.	7,491--2--6	21402--5--(	28,893--7--6	28,893-- 7--6	
8. February.	5,652--4--8	1729(--9--4	22,942--14-(	22,942--14--(	(2) Rs.122-13-1 deducted from the Payments as per B.P.by Executive Engineer's No.315 dated 25.7.1914.
9. March.	7,547-15--4	9,066-12-5	16,614--11-9	16,614--11--9	
10. April.	6,616--5--11	5,634- 0-11	12,25(-- 6-10	12,25(-- 6-10	
11. May.	6,374--7--6	7,260--2--10	13,634--10-4	13,634--10--4	
12. June.	34, 193--5--9	806--14--11	35,(00-- 4--8	35,156-- 7--7	
Total.	1,08,693--6--10	3,18,(19-12-6	4,26,713-- 3-- 4	4,21,869--6--3.	

1914-1915.

Statement of additions made to the payments of the District Board by the Comptroller.

Month.	Refunds.	Pensions.	S.C. Estt.	Other Items	Pasteur Institute.	Veterinary charges.	Advances	Interest on loans.	Railway capital.	Total.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
July.	...	1-5-10	..	..	..	..	..	18(--2-(	..	181-7-1c
August.	0-14-0	1-5-1(	..	..	5-2-4	..	1(17-(-6	114--5-1(	..	1178-12-6
September.	..	1-5-10	..	..	6-2-(	..	..	1(1c--4-(	..	1(17-11-10
October.	0-14-2	..	..	..	..	1(-11-10	..	5345-14-8	..	5357- 8-8
November.	..	..	..	..	4-0-(	5- (-2	..	3(1-13-4	..	31(-13-6
December.	..	..	..	..	..	..	..	456-1(-2	..	456-1(-2
January.	..	..	..	..	3-3-(	1(- 9-6	-1(57-(-6	118-13-4	-8461c-7-8	-85534-14-4
February.	0-1-4	..	...	..	13-11-(	5- 4-(	..	38(- 3-9	19282-1c-1c	19681-14-11
March.	..	..	5-(-(	..	..	7- 1-6	..	84- 7-3	68056-9- 1	68133-1c-1c
April.	0-2-6	..	...	..	..	..	..	4941-.3-2	29163- (-1	341(4-5-9
May .	0-2-3	..	..	29(-12-(	..	6-13-8	..	388- 2-4	23(21-12-2	2370 7-1c-5
June.	..	..	..	..	..	..	..	782-12-9	77258- 2-8	78(36-15-5.
T o t a l.	2-2-3	4-1-6	5-(-(	28(-12-(	32-2-4	45-8-8	..	141(4-12-7	132147-11-2	146 619-8-2

ABSTRACT OF CORRECTIONS. 1914-1915.

Month.	District Board figures.	Additions by the Comptroller.	Total.	Figures in the Abstract.	Remarks.
	Rs.	Rs.	Rs.	Rs.	
July.	6,057 4 0	- 181 7 10	6,238 11 10	6,238 11 10	
August.	4,208 13 4	1,178 12 6	5,387 9 10	5,387 9 10	
September.	6,553 7 8	1,017 11 10	7,551 3 6	7,551 3 6	
October.	8,907 5 2	5,357 8 8	14,264 13 10	14,264 13 10	
November.	7,928 5 9	310 13 6	8,239 3 3	8,239 3 3	
December.	11,183 0 10	456 10 2	11,639 11 0	11,639 11 0	
January.	6,742 13 9	-85,534 14 4	-78,792 0 7	-78,792 0 7	
February.	6,387 7 0	19,681 14 11	26,069 5 11	26,069 5 11	
March.	6,789 3 1	68,133 1 10	74,922 4 11	74,922 4 11	
April.	7,045 10 8	34,104 5 9	41,150 0 5	41,150 0 5	
May.	11,022 8 3	23,707 10 5	34,730 2 8	34,730 2 8	
June.	35,464 5 0	78,036 15 5	1,13,501 4 5	1,13,501 4 5	
June (Final).	...	...	...	...	
Total.	1,18,270 4 6	1,46,632 2 6	2,64,902 7 0	2,64,902 7 0	

1915-1916.

Statement of additions made to the payments of the District Board by the Comptroller.

Month.	Refunds.	Pensions.	Veterinary charges.	Insurance Institute	(D I) Asst.	(ther items	Interest on Debentures.	Railway Capital	Dt. Office Lstl.	P.M.D. Charges. (1915)	Total.
July.	2 1 2	...	2 1 9	..	..	..	286 0 0	..	..	..	578 11 1
August.	1 8 11	..	4 2 11	..	..	..	222 8 8	-8453 7 4	....	..	-8225 2 10
September.	0 6 1	..	6 5 4	..	..	..	198 6 2	..	..	..	805 1 7
October.	..	..	7 0 5	..	....	..	5401 14 10	..	..	..	5408 15 3
November.	..	1- 5- 10	10 12 10	..	..	..	871 1 9	..	..	175-0-0	10581 4 5
December.	89 4 7	..	6 2 5	..	..	..	531 4 2	..	..	1500-0-0	2126 11 2
January.	442 8 9	..	5 3 5	..	..	0 2.5	323 8 10	..	..	..	771 7 5
February.	..	..	5 12 9	..	..	..	450 5 1	97734 0 1	..	..	98190 1 1
March.	..	..	16 7 4	..	-0 10 4	..	137 8 6	48334 9 1	36-9-10	..	48521 8 5
April.	0 6 1	..	5 6 8	..	..	..	5856 0 7	-14658-0-9	..	..	-9596 9 5
May.	5 1 1	..	31 1 11	..	..	.	4296 2 11	448 4 1	..	..	4780 10 0
June.	..	..	38 15 0	11-0-0	..	..	1283 4 8	15695 13-0	..	..	17030 0 8
June Final.	..	..	..	..	..	..	..	7060 3 3	203-9-3		7263 12 6
Total.	541 13 8	1 5 10	158 8 9	11 0 0	-0 10 4	-2-5	19328 2 2	146160 15 5	33-9-10 1878-9-3		166528-9

ABSTRACT OF COLLECTIONS. For 1915-1916.

Month.	District Board Figures.			Additions by the Comptroller.			Total.			Figures in the Abstract.		
1. July.	6,807	3	7	578	11	11	7,085	15	6	7,085	15	6
2. August.	4,447	8	2	-8225	2	10	-3,777	10	8	-3,777	10	6
3. September.	5,583	11	5	205	1	7	5,788	13	0	5,788	13	0
4. October.	10,594	7	3	5408	15	3	16,003	6	6	16,003	6	6
5. November.	5,731	3	7	1058	4	5	6,789	8	0	6,789	8	0
6. December.	5,758	12	7	2126	11	2	7,885	7	9	7,885	7	9
7. January.	6,423	4	11	771	7	5	7,194	12	4	7,194	12	4
8. February.	6,697	10	2	98190	1	11	104,887	12	1	1,04,888	6	1
9. March.	13,906	14	2	48521	8	5	62,428	6	7	62,428	6	7
10. April.	5,023	7	3	-9596	9	5	-4,573	2	2	-4,573	2	2
11. May.	7,513	9	2	4780	10	0	12,294	3	2	12,294	3	2
12. June.	42,438	8	9	17030	0	8	59,468	9	5	59,468	9	5
13. June Final.		...		7263	12	6	7,263	12	6	..		
Total.	1,20,626	5	0	1,68,113	9	0	2,88,739	14	0	2,81,476	13	6

1916-1917.

Statement of additions made to the payments of the District Board by the Comptroller.

Month.	Refunds.	Pasteur Institute.	Veterinary charges.	Other items.	Interest on Debenture Loans.	Railway transactions.	Total.
1. July.	..	..	..	..	1,029 15 11	9936 9 4	10,966 9 3
2. August.	4 3 0	..	9 8 1	1,192 11 10	387 6 2	-28031 15 4	-26,438 2 3
3. September.	0 0 7	..	39 14 5	..	345 4 8	24568 1 2	24,953 4 10
4. October.	..	..	6 12 11	[illegible]	5,842 0 0	37631 5 6	43,380 2 5
5. November.	..	..	6 4 5	..	1,076 15 3	9077 11 1	10,160 14 9
6. December.	..	..	7 4 7	..	152 0 0	14584 11 2	14,743 15 9
7. January.	..	10 8 0	5 8 0	..	258 13 7	8578 9 0	8,853 6 7
8. February.	..	..	6 3 10	..	125 3 1	5024 6 3	5,155 13 2
9. March.	..	..	6 3 1	..	552 0 0	11146 1 8	11,704 4 9
10. April.	..	..	12 8 3	..	6,326 11 6	5941 11 0	12,280 14 9
11. May.	10 1 5	..	8 1 9	..	1,240 15 1	-170 4 10	1,088 13 5
12. June.	4 15 0	..	17 1 2	..	348 1 5	33268 12 10	33,638 14 5
13. June Final.	..	..	..	..	20 0 0	29270 14 8	29,290 14 8
Total.	19 4 0	10 8 0	125 6 6	1192-11-10	17,725 6 8	160,726 9 6	1,79,779 14 6

ABSTRACT OF COLLECTIONS. 1916-1917.

Month.	District Board Figures.			Additions by the Comptroller.			Total.			Figures in the Abstract.		
1. July.	3,165	12	6	10,966	9	3	14,132	5	9	14,132	6	9
2. August.	6,377	14	2	-26,438	2	3	-20,060	4	1	-20,060	4	1
3. September.	7,596	7	6	24,953	4	10	32,549	12	4	32,549	12	4
4. October.	7,238	7	3	43,380	2	5	50,618	9	8	50,618	9	8
5. November.	5,954	8	5	10,160	16	9	16,115	7	2	16,115	7	2
6. December.	5,019	7	9	14,743	15	9	19,763	7	6	19,763	7	6
7. January.	3,902	8	8	8,853	6	7	12,755	15	3	12,755	15	3
8. February.	5,511	4	10	5,155	13	2	10,667	2	0	10,667	2	0
9. March.	13,079	12	11	11,704	4	9	24,784	1	8	24,784	1	8
10. April.	7,271	5	11	12,280	14	9	19,552	4	8	19,552	4	8
11. May.	15,544	4	4	1,088	13	5	16,633	1	9	16,633	1	9
12. June.	46,211	6	10	33,638	14	5	79,850	5	3	79,850	5	3
13. June Final.	...			29,290	14	8	29,290	14	8	29,292	14	8
Total.	1,26,873	6	1	1,79,779	14	6	3,06,653	3	7	3,06,655	3	10

The Differences in the years 1914-1915-,1915-1916 and 1916-1917 between the Treasury Pass Book and the Accounts as corrected by the Comptroller are noted below. These are the years during which capital expenditure of 9 lakhs and odd on account of Railway was paid by the District Board. The Differences in 13-14 were completely adjusted in the accounts for 1914-15 The balance of the overdraft of Rs. 342511-3-10 at the end of December 1918, intimated by the Comptroller in Memo No. /14 dated 7th April 19, has been duly taken to March 19 accounts in the Treasury pass Book and hence all the corrections have thus ~~also~~ passed through the Treasury accounts.

	1914-1915.	1915-1916	1916-1917.
Treasury Pass Book.	- 1,04,044 -11-10	- 38,379-11-7	~~-4,69,651-15-4~~ -1,31,434-10-4
Comptroller's account.	- 2,27,771 - 8- 4	-469,651-15-4	-6,42,419-10-1
Difference.	-1,23,726 12 6	-431,272-3-9	470,984-15-9

Monthwar Abstract for the outstanding difference in 1914-1915.

.....

13-	3-	10	Added to receipts other items by Comptroller in November 14 accounts. 15
85,534	-14-	4	Credit on account of Railway payments in Jany
2 -	0-	0	Being the receipt of transfer transactions in December not taken to pay ~~interest on investment.~~ but taken to receipts
14,100 -	8-	0	Receipt of cess collections omitted by Try. 9,000/-plus.5100/-
5 -	0-	0	Added to advance receipts as per T.E.No.47 d
2 -	0-	0	Difference in April 15 on account to be trace
2157 -	2-	8	Amount wrongly included twice in Ry.payments.
6,600 -	8-	0	Interest on investments 5100-8-0 & T.E.No. 213/TAD. 1500/-
2,819 -	2-	11	Receipts in the Presidents office omitted in the Treasury.
0 -	0-	2	Difference in the balance of Feb.1915.
1,11,234	7	11	

Rs.	5,357	8	8	Railway payments added by Comptroller in Octr.14
	1,951	8	4	Adjustment entry of difference between June 14 Closing balance.
	310	13	6	Railway payments added in Nov.1914
	456	10	2	-do-. Dec.14.
	10	0	0	Error in balancing in Try.Pass Book.
	19,669	4	7	Railway payments added in Feb.1915.
	12	10	6	Difference to be traced.
	68,133	1	10	Railway payments added in March 15.
	34,104	5	9	-do-. April 15.
	25,864	13	1	-do- May 1915.
	78,036	15	5	-do- June 1915.
	300	0	0	Payments taken to Closing balance by President and not by Treasury in June 15.
	753	8	7	Amount of receipts in June 16
	2,34,961	4	5	Reduced by Comptroller.

2,34,961 4 5 = 1,23,726 12 6.
1,11,234 7 11

1915-1916.

Rs.	1,23,726	12	6	Differences explained in 14-15
	1,53,421	11	2	Difference between closing balance for 14-15 and Opening balance for 15-16
	578	11	11	Addition of railway payments in July 1915.
	205	1	7	-do- Septr. 15
	5,408	15	3	-do- Octr. 15.
	626	11	2	-do- Dec. 15.
	883	4	5	-do- Nov. 15
	771	7	5	-do- Jan. 16.
	98,190	1	11	-do- Feb. 16.
	4,780	10	0	-do- May 16.
	17,030	0	8	-do- June March 16.
	48,521	8	5	-do- March 16.
	7,263	12	6	-do- June fl. 1916.
	4,61,408	12	11	

9	6	10	Amount received in the President's office during July 15 omitted in the Try accounts.
8,225	2	10	Railway payments deducted during Aug 15.
80	0	0	Additions to receipts in Septr.15.
5,124	14	3	Interest on investment (5100-8-0 plus 24.6.3-) pr Leave allowances.
6	2	6	Added to cess receipts. 7-6-10 -14-4
9,596	9	5	Railway payments deducted during April 16.
1,207	9	8	Receipts increased by Comptroller in May 16
896	15	7	Addition to receipts in June 16 by Comptroller
15	0	0	Plague shed advances in March 1916.
0-	2-	5	Difference in March 16 account.
4,973	15	8	Additions in June 16 fl.
0	10	0	
30,136	9	2	

4,61,408 12 11
30,136 9 2
4,31,272 3 9

(Continued)

1916-1917.

Rs.	,31,561	7	9	Difference of 1915-16.
	10,966	9	6	Addition to payments in July 1916.
	200	0	0	Error in closing Try.accounts for July 16.
	24,953	4	10	Addition to payments during Septr.16.
	43,380	2	5	-do- Octr. 16
	10,160	14	9	-do- Novr. 16
	0	1	1	Difference in Nov. accounts 16.
	14,743	15	9	Addition to payments in Dec. 16.
	8,853	6	8	-do- Jany.17
	4,429	3	3	Difference in balancing in Jany.17 account
	5,155	13	2	Addition to payments Febry. 1917
	11,704	4	9	d-o- March 1917
	7	10	0	Receipts in Mulbagal less in Closing balan
	1	3	0	do. Chintamani.
	12,280	14	9	Addition to payments in April 1917.
	1,088	13	5	-do- May 1917
	33,638	14	5	-do- June 1917
	29,292	14	8	-do- June 17.Fl.
	6,42,419	10	1	

	289	4	0	Difference of June 16 adjusted in July
	26,438	2	3	Addition to payments in Aug 16.
	6	0	0	Criminal fine levied in Sreenivasapur Talu
	1,192	11	10	Opening Balance in the Try.pass Book corrected
	0	0	10	Difference in Octr.16 accounts.
	4,909	9	2	Interest on investment added in Nov.16
	34	5	4	Refund of shed advances in President's office Jany.1917.
	6	0	0	Criminal fine received in Gudibanda Taluk.
	39	5	4	Plague shed advances recovered in Feb.17
	0	8	0	Difference in Feb 17 accounts.
	19	5	4	Receipts in President's office. balance.
	1	6	0	Receipts in Kolar Taluk more in Closing /
	4,418	9	10	Interest on investments (T.P.262/Bk.for
	1	13	9	Difference in May 17 a/cs .May 1917)
	25	0	0	Difference in June 17 accounts.
	75,953	8	8	Addition to Receipts in June 17 fl.
	58,099	0	0	Loan receipts T.E no 50 Bills for May 17 receipts
	1,71,434	10	4	

	6,42,419	10	1
	1,71,434	10	4
	4,70,984	15	9

A G R E E M E N T

Between the Government of His Highness the Maharaja of Mysore and the District Board of Kolar.

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Preamble. An AGREEMENT made this day the 1st December 1920 between the Government of His Highness the Maharaja of Mysore (hereinafter called the Government) of the one part and the District Board of Kolar (hereinafter called the District Board of the other part.

WHEREAS it is agreed between the Government and the District Board that the cost of the construction of the line of the Railway from Bowringpet to Chikkaballapur should be met in equal moities, the District Board contributing one-half and the Government the other half.

And WHEREAS for the purpose of contributing the said half the District Board have been authorised by the Government to raise a debenture loan of eight lakhs.

And WHEREAS the District Board are desirous of acquiring by purchase, in due course, the interest of Government in the said Railway with a view to become and be the sole proprietors thereof untilthe purchase by the Government of the said Railway from the District Board in the manner hereinafter provided.

And WHEREAS the Government are willing to give the District Board the option of buying the interest of Government in the said Railway provided the District Board are able to raise the funds required for the purchase and do exercise the said option within a period of twenty-five years from the date of the opening for traffic of the Kolar-Chikballapur section of the said Railway.

And WHEREAS the Government and the District Board have agreed that until the said Railway is purchased by the District Board in the manner aforesaid Railway remains the joint property of the Government and the District Board, the entire control over the construction, maintenance and working of the said Railway shall be with the Government and that during the said period the relationship between the Government and the District Board shall be as laid down in the terms and conditions hereinafter contained.

Now these presents witness and it is hereby mutually agreed and declared by and between the parties hereto as follows:-

Definitions.

2. Throughout this Agreement unless otherwise stated or unless there is something repugnant to the context the following terms are to have the meanings set opposite to each of them, viz.,

(a) The expression "the said Railway" means and includes the Railway between Bowringpet and Chikballapur together with all the appurtenances thereof.

(b) The expression "Gross Earnings" means and includes earnings to be derived from the working

of the said Railway, the rents of any Railway buildings, tolls on bridges and other sources of income which are treated as revenue on --- Indian Railways generally.

(c) The expression "working expenses" means and includes all charges incurred in managing, working and maintaing the Railway which are properly debitable to the Revenue Account.

(d The expression "Net earnings" means the residue after deducting the working expense from the gross earnings.

(e) The expression "Months" means calendar months.

(f) The expression "the undertaing" means the Kolar District Railway.

Government Aid.

3. (a) The Government do hereby guarant the payment of interest at 4 per cent per annum half yearly on 1st April and 1st October in e year on the loan of 8 lakhs or such portion -- thereof as has been raised by the Board and us for the capital expenditure on the Railway. Provided (1) that in respect of the shares of the loan utilized for the construction of the Bowringpet-Kolar and Kolar-Chikballapur sect of the said Railway the guarantee shall beg operate in regard to each such share from of opening for traffic of the respective sec tions and (2) the said guarantee shall cease and determine on the expiry of 25 years co ing from the first day of the first comple Railway half year after the section from to Chikballapur of the said Railway shal been opened for traffic.

(b) It is further agreed that interest on the loan raised by the District Board by issuecf debentures and on the amount contributed by the Government shall be charged to Capital during construction.

(c) The Government shall arrange to carry out the surveys and have the necessary plans and -- estimates prepared. The cost of the same shall in the first instance be met by the Government and eventually transferred to the Capital account of the Railway.

(d) The Government shall from time to time provide free of cost all land including land re - manently or temporarily required for quarrying ballast, for brickfields and similar purposes which they shall consider requisite for the construction of the said Railway and for Stations, Station yards, Offices, Ware-houses, Staff quart and other bona fide Railway purposes. The cost of providing land will not be treated as forming part of the Government Capital.

Duration of Agreement. 4. This agreement shall be taken to have commenced and to have come into force on the 1st da of December 1920 and shall be subject to revisio from time to time and shall be and remain in - force until it is determined by any provision in this behalf in this contract.

Capital. 5. The capital collected for the undertaking by the District Board shall be deposited in the Government Treasury.

Open Line Capital Works. 6. All works that may be considered to be necessary for the safety of the public or the efficient working

out by the Government, the District Board and the Government providing in moities the funds necessary for the expenditure chargeable to capital on this account. In the event of the District Board failing to provide within a period considered reasonable by the Government, their share of any additional capital for work required under this condition the Government shall be at liberty to supply the necessary fun and to carry out the works and shall be entitl to receive from the share of the surplus prof payable to the District Board, the amount ad vanced for such purpose with interest at 4 pe cent.

Construction & Working.

7 (a) All arrangements for construction, maintenance and working of the Railway shall in the hands of the Government.

(b) Notwithstanding anything hereinf contained until the completion of the half in which the extension between Kolar and Ch ballapur shall have been opened for passen traffic for twelve months or up to 30th 1917 whichever is earlier, the entire working i.e., the excess of working ex gross receipts shall be borne by the G

Accounts.

8. The Government shall furnish with accounts of Capital and Revenue for periods for which they are made up, gen under the rules of the State Railways i India.

As soon as possible after the line has been opened for public traffic the unexpended balance of the capital raised by the Board shall be deposited in a Bank to be approved by Government on fixed deposit to be available for further capital expenditure or for extensions of the Railways as may be mutually agreed upon by the Government and the Board.

to application Receipts.

9. The monies to be received by the Government as working agency in each half year during the continuance of this contract to be treated as received on account of Revenue shall be applied as follows:-

(a) In the first place in or towards the discharge of working expenses and other expenses (if any) chargeable to Revenue under this contract attributable to the half year to which the receipts relate.

(b) In the next place in or towards the discharge of working expenses and other expenses (if any) chargeable to Revenue under this contract attributable to any previous half year or half years and not already discharged out of the receipts on account of any revenue including any errors which may be found in the accounts.

(c) In the next place in payment of interest at 4 per cent per annum on the shares of capital contributed by the District Board and by the Government.

(d) In the next place in payment of all monies which from time to time may be due under the rules, for the time being in force, of the Provident Institution of the Railway to or for the purpose of that Institution.

(e) In the next place in payment to any reserve fund or funds which may be established as provided in section 12 of this contract of such contribution as may be decided upon by the Government.

(f) Of the surplus, if any, half will go to Government as the guarantors of interest on capital and the remaining half shall be shared by the District Board and the Government in the ratio of the capital contributed by each.

(g) From their share of surplus profits the District Board shall pay the contribution to the
12 ? sinking fund formed under clause 13 of this agreement before any part of it is appropriated to any other purpose by them.

Payment of Government Advances.

? A. Notwithstanding clause (g) above the District Board shall repay the amounts advanced to it by Government under clause 3/(b) and 6 supra from the realizations from the Railway cess or other funds of the Board when Government consider it fit to require such repayment.

Provident Institution.

10. The Government may if they deem fit at any time during the continuance of this agreement maintain and manage a Provident Institution and admit their servants employed on the undertaking to its benefits.

Reserve Funds.

11. The Government may, if necessary, establish a reserve fund for the purpose of insuring property whether appropriated to the undertaking on in their custody as common carriers or in any other capacity, against damage by fire and for the purpose of renewing Permanent way and Rolling stock. The Reserve fund will be maintained in the Government Treasury and interest on the

minimum monthly balance at the Government savings Bank rate will be credited to the fund yearly.

L

LB 114-24-59

Proceedings of the Government of H.H. the Maharaja of Mysore.

Read:-

G.O.No.3741/L.B.99-14-3 dated 10th November 1914 authorising the levy of Railway cess in the Kolar District, with effect from 1-7-1914 at six pies in the Rupee on all items of revenue on which local cess is levied.

2. G.O.No.L.4026-9/L.B.114-24-43 dated 5th December 1925 directing the deputation of two auditors for a period of three months to prepare the general and Railway accounts of the Kolar District Board.

3. Letter No.H.C.63 dated 12th October 1926 from the President, District Board, Kolar submitting the Joint report of the auditors deputed as above and urging certain requests for the settlement of the claims of the Board in connection with the earnings from the Railway.

4. Letter No.412/Rys. dated 5-2-1927 from the Comptroller, submitting his remarks on the above.

5. Letter No.H.C.1/26-27 dated 23rd July 1926 from the President, District Board, Kolar forwarding copy of the resolution of the District Board requesting the abolition of the levy of the Railway cess in the District.

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Order No.L. 8697-760 Enge

Dated, Bangalore, the 7th May 1927.

SHA.

The financial position in regard to this Railway appears from the Statement appended to this order (Appendix A.) The President, District Board, Kolar, requests that the Board be paid half the net earnings of the Railway for ~~up~~ every year from the ~~kngm~~ beginning - irrespective of the amount of Capital contributed by the Board together with the - guranteed interest on the whole amount of the debenture loan raised by the Board, and that the excess capital and interest on overdrawals recovered be refunded to the Board.

The settlement of the accounts as proposed by him is as follows:--

		Rs.
1.	Claim to half the net earnings of the Railways ...	1,46,032
2.	Guaranteed interest on 4,48,800 ..	1,29,860
3.	Refund of excess capital recovered ..	22,981
4.	Refund of Interest recovered ..	28,823
	Total	Rs. 3,27,696
	Less guaranteed interest already received by the Board ..	" 1,27,990
	Net claim of the B o a r d.	" 1,99,706

Govt. observe that the claim of the Board to half the net earnings of the Railway irrespective of the capital outlay supplied by it in each year is untenable.

As regards the interest on debenture loans Govegnment have no objection to the payment of the guranteed interest on the whole amount of the debenture loan raised irrespective of how much of it was ~~apnnk~~ invested or spent on the Railway when the Board was required to pay

to pay interest on over-drawals to Govt for the Board's share of acpital expenditure. As regards refund of excess capital it is reported that as a result of writes-back effected in the accounts for 1924-25 in the Railway books a sum of Rs.24.860/- became payable to the District Board and that this amount has since been adjusted in favour of the Board against certain amounts due by it on account of its share of outlay in 1925-26 as proposed by the President. No further action is therefore called for in this ~~subject~~ respect.

As regards interest on over-drawals it appears that according to the accounts made up by the Auditors a sum of about - Rs.114,301 is due to Govt. on this account up to the end of 1925-26 ~~and~~ after making an allowance for a sum of Rs.10,032 for counter interest due to the Board on account of amounts due to it but withheld for sometime, the net amount still due to Govt. would be about Rs.75,508 exclusive of Rs.28761 already recovered.

After a careful consideration of the entire question, Govt. are pleased to direct the settlement of the accounts as follows:--

a) Guaranteed interest should be allowed on the ~~total~~ total amount of the debenture loan by raised by the Board limited however to the total capital contributed by the Board in each year.

(b) The net earnings from the Railway should be distributed in proportion to the capital contributed by the Govt. and the Dist. Board in each ~~of the~~ of the

of the years a n d;

(c) interest on overdrawals by the Board will as a matter of concession be charged at two and two-thirds per cent instead of at four percent in accordance with agreement, interest at the same rate being allowed to the Board on amounts due but withheld from being paid on the due date.

2. The Comptroller is requested to adjust immediately in consultation with the Auditor Mysore Railways, the claims of the Board in accordance with the above instructions.

3. Govt. are further pleased to perm the Kolar District Board to reduce the Railway cess from six to three pies in the - - Rupee if the Board so desires, on all items of Revenue on which local cess is levied.

DRAFT)

for Gl. Secry to Govt.

14/5

To

The Pdt. Dist. Bd. Kolar THRO' D.C.Kolar.
The Comptroller to Govt.
" Auditor, Mysore Railways.
" Secry to Govt for Rys.
" Other Hds of Deptts.
" D.Cs. of Dists.
" Pdts. of other Dist. Boards.
" Inspector of Office Systems in Mysore

P R I N T.

K.M.R.1.